



Do the Scots know who they really are?

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Anne Wood talks of her Teletubby fame - or infamy

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FINANCIAL TIMES
APRIL 24 / APRIL 25 1999



Rogue trader? Or convenient scapegoat?

Page VIII



Fifties femininity - like candy in a coalmine

Page X

Nato leaders vow to intensify air attacks on Serbs

By David Buchan, Stephen Fidler and George Parker in Washington

Nato leaders yesterday vowed to step up the pressure on Slobodan Milosevic, the Yugoslav president, by intensifying their air campaign and supplementing it with an oil embargo and a possible naval blockade.

But they made no decision on a ground invasion, continuing to hold the option in reserve.

In a show of collective resolve, the 19 allied leaders said they would not allow the campaign of terror they said was being conducted by Mr Milosevic against ethnic Albanians in Kosovo to succeed. "Nato is determined to prevail," they said.

They would not compromise on Nato's demands for full withdrawal of Serb forces from Kosovo to allow refugees to return, accompanied by an "international military presence". So far, Mr Milosevic's peace offers, including the one relayed by Victor Chernomyrdin, the former Russian prime minister, this

week, "do not meet this test", Nato said.

Tony Blair, UK prime minister, said: "It's not enough, because it doesn't meet the demands that Nato has set out. But if it is an indication that Milosevic now realizes that we will carry on until those demands are met, then, to that extent, it is something that we should note."

Jacques Chirac, French president, said: "President Milosevic's response is completely insufficient. I'm not saying all this is useless but it does not correspond to the demands of the international community."

At the same time, Nato highlighted Russia's important role in searching for a solution to the Kosovo conflict. In its reference yesterday to an international military force in Kosovo, Nato said it "remains ready to form the core" of such a body. Previously it had said it must form the core of the force.

Despite Nato's strong words, the only new steps announced yesterday were intensified imple-

mentation of economic sanctions against Yugoslavia.

The alliance said it welcomed the European Union's lead in imposing an oil embargo on Yugoslavia, which is expected to come into effect in the middle of next week.

But over the objections of France, the leaders went further and said they would consider measures to stop and search shipping in Adriatic bound for Yugoslavia. Defence ministers were told to examine ways of halting the delivery of war supplies "including by launching maritime operations".

President Chirac had earlier questioned whether Nato had the legal authority to impose a naval blockade on Yugoslavia. He argued this was unnecessary because Nato had already bombed many of the bridges that could take oil from Montenegro into Serbia.

Setting out surrender terms for Mr Milosevic, Nato said it would suspend its air strikes once Belgrade had unequivocally met its



Shoulder to shoulder: UK prime minister Tony Blair and President Bill Clinton at yesterday's Nato summit Reuters

demands and had "demonstrably begun to withdraw its forces from Kosovo".

Nato missiles hit the headquarters of Serbian television early yesterday, killing at least 10 civilians.

But state-run broadcasts were shut down for only a few hours

and the attack was criticised by international media organisations and from Lamberto Dini, Italian foreign minister.

Kenneth Bacon, the Pentagon spokesman, also said two electrical transformers had been attacked in Belgrade, a widening of Nato's list of targets. "It is a

new class of targets, and the philosophy behind this was that these were dual-use facilities that powered command and control and other military facilities in the area," he said.

Kosovo Crisis, Pages 2 and 3
Reluctant crusaders, Page 6

Congress fails to form Indian government

By Mark Nicholson in New Delhi

Voters in India, the world's biggest democracy, may be asked to go to the polls for the third time in as many years after Sonia Gandhi, president of the Congress party, admitted yesterday she had failed to form a minority government.

Mrs Gandhi told R.R. Narayana, president last night that she had insufficient support in the fractured parliament. But she said she would talk with "secular" parties to see if she could form an administration.

The prospect of a government headed by Mrs Gandhi, Italian-born widow of Rajiv Gandhi, the former premier, and inheritor of the dominant Nehru-Gandhi political dynasty, dwindled after the Samajwadi party, a regional socialist party with 20 MPs, and the Revolutionary Socialist party with five told Mr Narayanan they would not support a Congress-only government.

Both smaller parties had contributed to voting down the Bharatiya Janata party coalition a week ago, but resisted backing Congress because of political differences and because they face Congress as a political rival at state level.

The ousted Bharatiya Janata party claimed it retained the loyal support of 270 MPs in the 543-seat house. Mrs Gandhi said she had the backing of 283 MPs.

India's latest parliamentary turmoil was prompted by the withdrawal of support more than a week ago for the 13-month BJP coalition by a Tamil Nadu-based regional party, led by Jayaram Jayalalitha, a former film actress. If the president dissolves parliament, India's election commissioner will have to set a date for a poll within six months.

The commissioner is likely to favour elections in October to coincide with four state assembly elections.

AT&T stock falls 10% after \$58bn bid for MediaOne

By Richard Waters in New York

AT&T set out on a campaign to win the support of a sceptical Wall Street yesterday, seeking to counter a 10 per cent drop in its shares that followed its attempt at a second giant cable television acquisition in less than a year.

The company's \$58bn bid for MediaOne, the fourth biggest cable company in the US, surprised many investors and analysts, who had thought that Ma-

Bell had come to the end of its recent spate of acquisitions.

Thursday's unexpected bid, the largest of its kind ever launched in the US, topped a bid of about \$58bn from Comcast, the third-largest cable company.

Comcast did not respond to AT&T's intervention yesterday, though some analysts suggested it could yet return with a higher offer of its own, perhaps with the backing of Microsoft, one of its biggest shareholders.

AT&T executives had suggested before this week that they did not need to pursue any more big deals, following several acquisitions that culminated in the purchase of TCI, the second-biggest cable company, earlier this year.

The company would pursue joint ventures with other cable companies, using their networks to carry its telephone signals into customers' homes, they had said.

Yesterday, however, AT&T said

owning more networks outright was vital. "AT&T cannot afford to be simply a regional player - we must be a national player," said Michael Armstrong, chairman. "We did not think a joint venture was comparable to owning [the networks]."

The company added it was still pursuing a joint venture to sell its telephone service over the networks of the biggest cable company, Time Warner. That partnership would be cemented if it

bought MediaOne, which owns a 25 per cent stake in the Time Warner networks, AT&T said.

Time Warner said it believed the surprise takeover bid would not disrupt its planned venture with AT&T, but sought to distance itself from the takeover battle, since it has other partnerships with Comcast.

AT&T senior executives held a series of meetings with analysts and investors during the day in an effort to overcome fears that

the company was offering too much for MediaOne, and that other big bids might follow. The offer is equivalent to about \$4,700 for each of MediaOne's subscribers, AT&T said. MediaOne's shares jumped nearly 11 per cent to \$77.4 yesterday morning, below AT&T's cash-and-stock offer of \$87.4 a share.

Man in the news, Page 7
Competibility test, Page 23
Lex, Page 24

News General

Beijing's UN action upsets US

The US expressed deep disappointment after China succeeded in squashing a US-sponsored resolution condemning Beijing's human rights record at the United Nations human rights commission in Geneva. Page 4

IMF to offer credit to countries facing 'contagion'

The International Monetary Fund is to offer precautionary credit lines to countries with sound economic policies to protect them from "contagion" when financial crises strike in other states. Page 4; Editorial Comment, Page 6; Lex, Page 24

Swiss deal secures professional tennis

Men's professional tennis seems financially secure after the announcement of a \$1.2bn deal between the ATP Tour and Swiss-based sports marketing company ISL. Workweek, Page 4

Shared ownership lifts executive jet sales

By the 1980s, business jets had come to epitomise corporate greed, but last year new jet sales rose almost 50 per cent to 387, mostly as a result of the phenomenon of "fractional ownership" which offers huge savings by allowing companies to share aircraft. Page 7

The Columbine shootings

Hollywood has quickly withdrawn a violent video and the NRA gun lobby has scaled down its national convention. The response suggests a new sensitivity to public pressure following the Colorado school massacre. Page 13

Company	Price	Change	Company	Price	Change
Amulco	14.50	+0.10	British	1.20	+0.02
Amulco	14.50	+0.10	British	1.20	+0.02
Amulco	14.50	+0.10	British	1.20	+0.02
Amulco	14.50	+0.10	British	1.20	+0.02
Amulco	14.50	+0.10	British	1.20	+0.02

News Business

Telecoms deal under fire in Italy

Three senior Italian ministers attacked the planned merger between Telecom Italia and Deutsche Telekom as signs grew that the proposed deal could be blocked by disagreement between the governments in Rome and Bonn. Finance minister Vincenzo Visco said the deal had the air of an "acquisition" by the German side. Page 24; Partners face hurdles, Page 23

Hyundai to pay \$2.15bn for LG Semicon

Hyundai, South Korea's largest conglomerate, agreed to pay \$2.15bn for LG Semicon to create the world's largest memory chip producer. Hyundai also announced details of its plan to cut its \$80bn debt, which could include the sale of its oil refining and steel operations. Page 24

Bell Canada wins Brazil telephone contract

A consortium led by Bell Canada International won the auction for a licence to set up a telephone network in São Paulo, Brazil's wealthiest state, to compete with Telefónica, Spanish-owned operator of the existing privatised system. Page 24

European markets end week on mixed note

European markets were mixed at the end of a week dominated by activity in telecoms, following the proposed Deutsche Telekom-Telecom Italia merger. High-tech stocks recovered from last week's plunge, powered by good results from Nokia and SAP, while Ericsson fell on disappointing first-quarter figures. Bonds, Page 8; Currencies, Page 9; London stocks, Page 17; World stocks, Page 21; Markets, FT Weekend Page XXV

Japan's top brokers report losses

Nomura Securities, Japan's largest broker, posted a ¥397bn (\$3.32bn) group net loss due to large write-offs of domestic real estate loans and trading losses in overseas markets. Daiwa, the second largest broker, incurred a ¥127bn net loss and Nikko, the third largest, reported a ¥177.5bn net loss. Page 23

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WORLD NEWS

EUROPE

KOSOVO CRISIS MOSCOW REFUSED TO ATTEND THE WASHINGTON MEETING BUT NATO WAS FORCED TO DEAL WITH ITS PEACE INITIATIVE

Russian spectre at the Nato summit

By Stephen Fidler in Washington, John Thornhill in Moscow and Guy Dinmore in Belgrade

Of the 43 governments invited to attend the Nato summit that started yesterday in Washington, only one turned down the invitation: Russia. Moscow refused to come in protest at the Nato bombing campaign in Kosovo.

But like the spectre at the feast, Russia is making its presence felt in Washington all the same.

Nato officials reacted uncomfortably to the possibility that Victor Chernomyrdin, the former Russian prime minister, could arrive in Washington this weekend with details of the agree-

ment for an international force in Kosovo that he mediated on Thursday with Slobodan Milosevic, Yugoslav president. This weekend especially, they did not want to be distracted from delivering a message that Nato is united.

Nato's leaders, led by Bill Clinton, Jacques Chirac and Tony Blair, were quick to dismiss the Milosevic offer as insufficient. But their governments, led by the US, have officially welcomed Russia's attempts to mediate in the crisis.

This encouragement is both, a senior US official said, because there is a wish for a continued dialogue with Moscow, despite the differences over Kosovo, and because there is a chance

Russia can play a genuine role in resolving the crisis - even if Russia still had the potential to be part of the problem in Kosovo rather than part of the solution.

Intensive US-Russian contacts led up to the summit, including a 45-minute conversation on Monday between Presidents Clinton and Boris Yeltsin. This was followed within an hour by a call between Igor Ivanov, Russian foreign minister, and Madeleine Albright, US secretary of state. James Collins, the US ambassador to Moscow, visited Mr Chernomyrdin twice, including on the eve of his visit to Belgrade.

"Russia was a quite constructive, persistent, responsible member of the contact group [over Kosovo]... the Russians played pretty straight," said the US official.

Part of the problem with the Chernomyrdin proposal is that it is both vague and contradictory. Mr Chernomyrdin said he had persuaded Belgrade to permit the introduction of international peace-keeping troops into Kosovo.

"Yugoslavia has agreed to the presence in Kosovo of forces from other states," he said on returning to Moscow. "Military forces. There's a war going on there."

But the Yugoslav foreign ministry said yesterday Mr Milosevic had agreed to "a UN, unarmed presence, an observer presence in Kosovo". A Russian diplomat

confirmed this was Belgrade's position, but added that this was no reason to despair.

"One should start to bargain," he said. One possible compromise that Mr Chernomyrdin would push for, he said, was an armed, UN-led force that would exclude Nato member states. "The UN may save everybody," he said, setting great store on next week's visits to Germany and Moscow by Kofi Annan, the UN secretary general. Unfortunately for this view, Nato has made it clear that it will agree only to a force that has a Nato command structure.

President Yeltsin appears to be using Mr Chernomyrdin's peace initiative for

Oil embargo to tighten Serb squeeze

By David Buchan in Washington

Nato leaders yesterday welcomed the lead taken by the European Union in imposing an oil embargo on Yugoslavia, and overruling France's objections, indicated they might impose a stop-and-search blockade of oil tankers in the Adriatic.

The Washington summit declaration on Kosovo called for "intensified implementation of economic sanctions and an embargo on petroleum products, on which we welcome the EU lead". EU states are expected to give final approval on Monday to their oil embargo, which should come into effect in the middle of next week.

The leaders said they also had directed their defence ministers "to determine ways that Nato can contribute to halting the delivery of war material including by launching maritime operations".

Jacques Chirac, French president, earlier told the summit Nato did not have legal authority to impose a maritime oil blockade of Yugoslavia, which he argued had been made largely unnecessary by Nato bombing of the rail and road link between Serbia and its partner republic, Montenegro, which borders the Adriatic.

The French president said Nato had only to complete the destruction of Serbia's transport links with Montenegro for its supplies of oil imported by sea to dry up totally. He argued Nato should be relatively relaxed about fuel arriving in Montenegro - whose pro-western president, Milo Djukanovic,

is in open dispute with Belgrade - provided the fuel does not go on to Serbia.

French aircraft have been involved in raids on rail bridges between Montenegro and Kosovo. Yesterday's Nato declaration says any "maritime operations" should take into account "the possible consequences on Montenegro".

In his briefing to Nato leaders General Wesley Clark, alliance commander, reported that on three recent occasions the Serb army in Kosovo had to halt manoeuvres for lack of fuel. Nato has repeatedly bombed Serbia's oil refineries and fuel depots. Many in the alliance have questioned the point of these attacks if new oil supplies were still coming in through the Montenegro port of Bar.

Robin Cook, UK foreign secretary, stressed yesterday: "One of the choke points we can apply to Yugoslavia is its military's access to fuel." He added all allies were "clear on the need for an effective oil embargo", even if they might differ on the means of achieving this.

It was not immediately clear from yesterday's declaration whether "the war material" that might be halted by maritime operations would include oil. Earlier this week, Thomas Pickering, US under-secretary for political affairs, argued that last year's United Nations Security Council resolution 1160 banning sale to Yugoslavia of arms and arms-related material could be interpreted to justify a maritime oil blockade.

KOSOVO UPDATE

German accused of spying

The German foreign ministry said a German journalist held by Yugoslav police for the past week had been accused of spying.

The ministry and the journalist's employer, commercial television station SAT-1, denied the charge.

The ministry said it was not clear where the journalist, Pit Schnitzler, 56, was being held.

He disappeared on April 16 after leaving Belgrade bound for the Croatian capital Zagreb. He had previously reported that his car, equipment and mobile phone had been seized at gunpoint by police in the garage of the Intercontinental Hotel in Belgrade.

Romania counts war costs

Romania's leaders began adding up the costs of the Yugoslavia conflict and called for a programme to rebuild all of south-eastern Europe once peace was restored.

Radu Vasile, prime minister, said a month of Nato bombing raids on Yugoslav targets had cost the already impoverished ex-communist country \$730m.

Government sources said losses attributable to Nato bombings included \$616m to industry and trade and a further \$11m to transport.

French on home alert

Jean-Pierre Chevènement, the French interior minister, has instructed officials across the country to be on the lookout for possible violence linked to the Kosovo conflict.

Government offices have been urged to keep an eye out for trouble and security has been stepped up at certain tourist sites and the embassies of countries involved in the Nato operations in Yugoslavia.

The goal of the alert was "to step up precautions without becoming alarmist", an official said.

Nato attack on TV station criticised

By Guy Dinmore in Belgrade

On the eve of Nato's 50th anniversary celebration, laser-guided Nato missiles reduced much of the headquarters of Serbian television to rubble in the early hours of yesterday morning. At least 10 civilians were killed, but state-run broadcasts were shut down for just a matter of hours.

The attack brought immediate rebuke from international media organisations and from Lamberto Dini, Italian foreign minister.

One section of the television building in central Belgrade was totally destroyed, as well as a children's theatre next door. The transmission tower was mostly undamaged. Officials said over 100 staff were inside when the missiles struck at about 2am.

Radio-Television Serbia (RTS), which was showing the news, including an interview with Slobodan Milosevic, the Yugoslav president, when it was cut off, restarted transmission with pictures of its own destroyed building and what it said were victims of the attack being treated in hospital. Serb officials said they feared up to 20 more bodies were buried in the rubble.

"I don't believe that this was in the plan," Mr Dini said at the Nato summit in Washington. He described the attack as "terrible", adding: "I disapprove."

Asked if there was now a risk that Nato's bombardment would target non-military objectives, he said:

"There is that risk, but it is not automatic."

Rescue workers with heavy machinery struggled throughout the day to extract corpses and survivors from the wreckage. One man had to have his leg amputated on the spot before he could be freed. Another could be heard crying out for water from inside the twisted mass of concrete. Some 20 people were seriously injured.

Instead of weakening the powerful propaganda tool of Mr Milosevic, Nato's attack may have strengthened it. All three channels of RTS were soon broadcasting again, from a different location which engineers said had been prepared in advance.

Nebojsa Vujovic, foreign ministry spokesman, said the attack was "an attempt to silence the truth... but lies and deception have an expiry date". Nato, he said, was celebrating its 50th anniversary yesterday with "its hands stained with blood".

A Nato spokesman defended the attack, saying RTS was as legitimate a military target as the Yugoslav army because of its role in spreading "lies and hatred" that fuelled the conflict in Kosovo province. But last week Nato had indicated only unmanned relay stations would be targeted. Several were destroyed on Thursday night in central Serbia, but engineers said they would soon be replaced.

Journalists in Belgrade - foreign and local - were



A Nato strike hits the headquarters building of Serb television

Reuters

united in their condemnation of the attack. It was "a serious violation of the principle that journalists should not be targeted", said Dejan Anastasijevic of the Serbian weekly Vreme. "If the idea was to damage the propaganda machine of Mr Milosevic it failed, because it is still broadcasting. They killed at least 10 people to put RTS off the air for a few hours." The International Federation of Journalists condemned the bombing,

which it said was counterproductive and set a violent precedent putting all journalists at risk.

Crowds gathered, mostly in silence, to view the wreckage yesterday. Some Serbs muttered criticism of Russia for not coming to the aid of Yugoslavia after more than a month of daily bombardments. Others questioned why the building had not been evacuated, as was the official residence of Mr Milosevic and the headquarters

of the ruling Serb Socialist party before their destruction earlier in the week.

The attack has also undermined the position of western correspondents in Belgrade. One journalist from a Nato member state received an anonymous message that he was now regarded as a "legitimate" target. Serbian police yesterday expelled a British correspondent for The Guardian, the latest of several reporters ordered to leave. No reason was given.

EU may impose fresh Serbia sanctions

By Peter Norman in Brussels

European Union foreign ministers will consider further sanctions against Yugoslavia at a meeting in Luxembourg on Monday after member states yesterday speeded the procedure for completing agreement on the oil embargo decided earlier this week.

Some of the proposals under study would target associates of Slobodan Milosevic, the Yugoslav president, while others would widen prohibitions on export finance and investment imposed last year. The Dutch government has suggested banning Yugoslav sports participation.

One idea is that an existing travel ban on persons considered responsible for the repression in Kosovo should be extended to cover all senior Yugoslav and Serbian ministers and officials as well as business people closely associated with the Milosevic regime.

Another possibility would be to extend the freeze on funds held abroad by the Serbian and Yugoslav governments to persons associated with Mr Milosevic and companies controlled or influenced by the two governments.

Ministers will also discuss whether to add private export finance to an existing ban on government financed export credits and proposals to close loopholes in an existing ban on EU investment in Yugoslavia.

Signalling the EU's determination to tighten the economic noose around Yugoslavia, member states aimed to complete agreement on banning the sale and supply of oil and petroleum products to Yugoslavia, worth \$32m (\$67m) last year.

Germany, the present holder of the EU presidency, will approach countries associated with the EU and Yugoslavia's neighbours to bring support for the measure. The ministers will also discuss allocating €100m of funds to countries directly affected by the crisis of refugees leaving Kosovo. According to European Commission officials, Albania is likely to receive €2m and the Yugoslav federal state of Montenegro €12m.

Cost to travel trade begins to mount

By Elizabeth Robinson and Scheherazade Daneshkhu

Travel and tourism companies stand to lose \$100m from the impact of the Kosovo conflict, but this number will multiply if the war spreads beyond its current borders, according to PricewaterhouseCoopers.

Alastair Graham, head of central and eastern Europe leisure operations at the accountancy firm, said at least 13 cruise companies had changed or cancelled their Danube voyages.

"There is concern because people remember what happened in other conflicts," he said.

Carnival Corporation, the Miami-based cruise operator, said on Monday that bookings for its eastern Mediterranean itineraries had slowed and expected the conflict to hit earnings. The operator has shifted its Adriatic itineraries away from ports near Yugoslavia.

Some tour operators, particularly those specialising in holidays to Greece and the Ionian islands, said anxious holidaymakers were calling up to seek advice. Dudley der Parthou, director of UK-based Sunvil Holidays, said there had been a big slowdown in bookings to Corfu since Easter but few cancellations.

"People are naturally concerned because they look at a map and see it's fairly close. When there's uncertainty people put off booking a holiday."

The travel industry is focusing on the reaction of the American market with memories of the sudden fall-off in US visitors to Europe after the 1991 Gulf war.

The American Society of Travel Agents said: "Some of our agents have found clients just aren't comfortable travelling but that has not been widespread." Expectations before the war were for a strong year for tourism in countries neighbouring the region. Hotel occupancy rates and room yields in the first two months had been up.

Mr Graham said: "Croatia and the Adriatic are already seeing some effect. It's a pity because that area had just begun to get back on its feet."

Blair maintains his hawkish stance

By George Parker in Washington

Tony Blair yesterday reaffirmed his image as Nato's most hawkish leader over Kosovo, urging the alliance to reject out of hand Slobodan Milosevic's latest peace offer.

Mr Blair also argued strongly against inviting Victor Chernomyrdin to the Nato summit, suggesting the former Russian prime minister was "to step up precautions without becoming alarmist", an official said.

The prime minister has been credited in the US

media with pushing President Bill Clinton towards accepting the possible need for an early use of ground troops in the province.

His headline stance has been acknowledged by senior US administration officials, who said Britain was the most "forward leaning" of the allies over the use of ground forces.

Mr Blair has risked isolating Britain in pushing for the use of infantry and armour against a "diminished" Serb army in Kosovo. But the Washington Post yesterday said Mr Clinton had been won over, with the

front page headline: "Clinton joins allies on ground troops".

Other Nato allies, including Italy, have been less impressed with the way Britain has attempted to toughen the Nato line. Mr Blair has used his well-worn media machine to try to mould the political agenda at the summit, with pre-emptive briefings.

The prime minister's official spokesman yesterday became the first to dismiss suggestions Mr Chernomyrdin might attend the Nato meeting today.

Robin Cook, foreign secretary,

repeated the message later, explaining Nato could not accept any settlement which excluded Britain, the US and other Nato combatants from an international force in Kosovo.

Mr Cook explained the importance of winning the media war by defending the Nato attack on a Serb television station, which he claimed was the source of "poisonous propaganda".

He dismissed international criticism of the attack and said Britain would step up its own broadcasting in the Balkans. The BBC would be increasing its output of Serb,

Albanian and Macedonian programming in an effort to broadcast "the truth" about the Kosovo conflict.

Britain is sending extra forces to the region in preparation for an international force to Kosovo, which would be in place next month.

Meanwhile, speaking at the ceremony to mark Nato's 50th anniversary, Mr Blair paid tribute to the "vision and courage" of Nato's founders, saying: "Reversing the hideous policy of ethnic cleansing is the best anniversary memorial Nato could have."

SIEGE OF WASHINGTON WORKERS GET DAY OFF AND PEOPLE STAY HOME AS POLICE CLEAR THE DECKS FOR NATO

Motorcades through a ghost town

By Gautam Mallik in Washington

Washington residents yesterday eased into their first day in a semi-police state, which has been engineered to clear the streets for the smooth procession of the Nato summit and all its motorcades.

Prophecies of traffic gridlock and subway chaos, and sharpshooters prowling the newly sparking streets, were obviously heeded: most people stayed at home.

"It's like a ghost town, except for the police," said Stephen Cowan, a Northern Ireland geography student at the University of Toronto. In Washington to conduct field research on changes to the urban landscape, he found most of his concrete subjects

lay in the middle of the Federal Triangle, an area cordoned off as in former East Berlin, where only those with secret service credentials were allowed to set foot.

"We went to take a photo of another building and a policeman with a gun and nightstick shouts down 'No photos!'" added his colleague, Stephen Finlay.

Many locals - including up to 90,000 federal employees - were given the day off work, perhaps raising their opinion of an international organisation some had questioned after five weeks of air strikes.

Dennis Comerford, a 28-year-old rollerblader who works in a museum behind the concrete barricades, was

making the most of a three-day weekend. "I've been waiting for years to rollerblade down some of these streets," he said.

However, pockets of the city buzzed with protesters from across the country, hoping the silence would help carry their cries to the record number of dignitaries in town for the Nato event.

Simon Kalaj, an Albanian interpreter from New York, and his brother, Stephen, stood outside the White House draped in Albanian flags, while dozens behind them waved the Stars and Stripes. He said he had no problems with Nato celebrating while it was carrying out air strikes against Serbia.

"Hopefully they'll come to a resolution and over-

power Milosevic," he said.

On the other side of the White House, beneath the Washington Monument, the stage was set for very different sentiment. Banners read: "50 years is enough, de-nuke Nato". Puppets of delegates were scattered by the stage and recordings from Woodstock boomed from loudspeakers blocks away from the Ronald Reagan building, where 19 Nato heads of government were discussing the Kosovo crisis.

Melanie Maycock, an environmentalist, said the long-planned event was supposed to be an anti-nuclear demonstration but many, like herself, "got involved a few weeks ago because of the current bombing campaign". However, tourists, many of

them caught unawares, did not welcome the Nato event.

Roxanne Gilliland, a retired schoolteacher from Texas, said most of her party of 21 from the First Baptist Church in Roysie City had ventured out of Washington for the day. Her hotel was only three blocks from one of the few tourist attractions open this weekend at the Smithsonian Institute, "but we've walked in a big loop. We're getting some exercise, though".

Nonetheless, tourists were lucky to obtain hotel rooms in a city flooded with those not put off by the restrictions.

Some 3,000 reporters covering the Nato event were the only people left for security forces to control.

Land when...
Turkish national...
save our big adva...
in general elect...
UK revolution...
TV licence...

سكانة الامم

KOSOVO CRISIS A BITTER HISTORY AND ENDURING ETHNIC AND FAMILY TIES MEAN THE BORDERLAND BETWEEN MACEDONIA AND KOSOVO IS DEEPLY UNSTABLE

Land where family means so much more than borders

By Hugh Barnes in Jazince

Two or three times a week units of the Kosovo Liberation Army (KLA) cross the border into Kosovo from the tiny village of Jazince just inside Macedonia. KLA members herd sheep and goats before them to explode hidden landmines in the mountain passes. Occasionally they clash with Macedonian or Yugoslav army patrols on their way.

Bekim, a goatherd from Jazince, was using a school exercise book to note the zig-zagging movements of Yugoslav sentries in the hope of producing a map of safe paths through the minefields. "We are doing tactical manoeuvres, bringing food and guns, if we can get them, to our brothers in Kosovo," said Bekim, who described himself as a liaison officer for the KLA.

The fraternal traffic moves both ways. Last week, about 3,000 ethnic Albanians, many of them gravely ill with cholera and tuberculosis, were herded into no-man's-land by Serb forces, and then left by Macedonian border guards to sit in the mud for up to three days.

A handful of Yugoslav soldiers walked cheerfully past

these medieval scenes, and over to the other side of the border to drink cups of sugary coffee with their Slav Macedonian counterparts. "They're probably related," an aid worker said of the coffee drinkers. "Cousins, or whatever. That's the way it is in this part of Macedonia."

The traffic is emblematic of a deeply unstable borderland between Macedonia and Serbia's Kosovo province, a part of the world in which the ties of ethnicity and family are strong while the frontiers, drawn up for largely internal symbolic purposes by Josip Tito after the war, are weak.

Nobody understands this better than the people who live here. The official map of the Republic of Macedonia does not acknowledge Jazince, the small ethnic Albanian village which has become familiar to households across the western world because more than 100,000 refugees have crossed here from Kosovo over the past month.

The last place to be acknowledged by Macedonia's mapmakers on the road from Tetovo to the Kosovo border is Rogachevo, a predominantly Slav village.



Kosovar refugees crossing into Macedonia AP

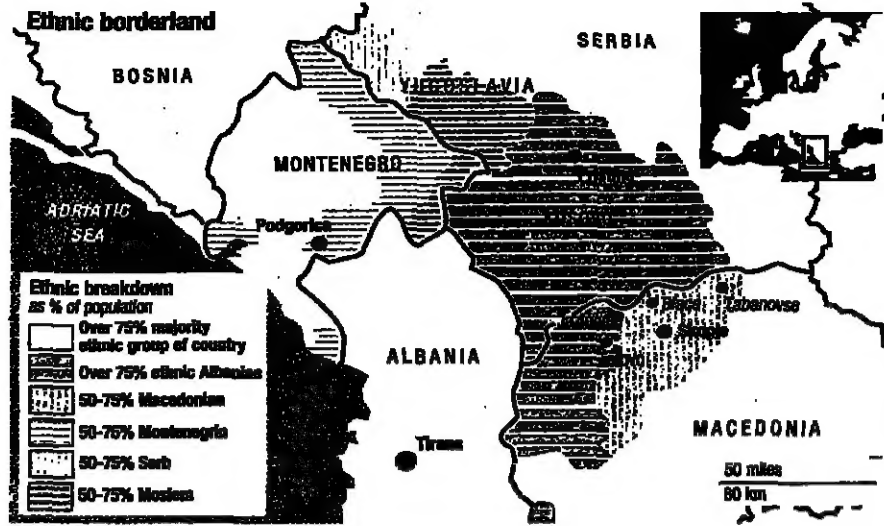
"They pretend we don't exist because we're Albanian," said Jemir Kameri, a 20-year-old student. "It's as if Macedonia really ends in Rogachevo. Because this is hostile territory."

I asked Mr Kameri if there were any ethnic Albanian recruits in the Jazince battalion of the Macedonian Army. "Of course not," he replied. "It's not our army. Our army is the KLA."

Mr Kameri conceded there was probably "some truth"

in reports of a KLA presence on the Macedonian border, as he climbed a narrow track outside Jazince overlooking the bright yellow building that the Yugoslav army is using as a barracks.

Further up the hill, past the small white mosque now full of blankets and food and other humanitarian aid for the refugees, past the women swathed in black tending vegetable plots and the befuddled farmers carrying out mattocks, one got a



sense of the nearness of Serb forces only 150 metres away. The Macedonian army has a redoubt perched on a razor-back of limestone with dugouts built horizontally into the cliff like sand-martins' nests. On this occasion it was deserted but for a stray dog that barked intermittently at a Serb patrol crawling with ant-like diligence through the minefield in the distance.

It is the porous nature of this border with Kosovo that

makes Macedonia's Slav population nervous. Last Monday, the Nova Makedonija newspaper hinted that soldiers from the Kosovo Liberation Army were among 200 refugees whom Albanians from the Jazince region had illegally smuggled over the border at the village of Tabanovo.

Slav anxiety has been given full vent in the pro-government newspapers during the last few weeks. "Kosovo moves into Macedonia,"

yelled a headline in the daily Vester.

The article reported the concerns of Ljupco Georgievski, the nationalist prime minister, that the fragile equilibrium of the tiny republic would be upset if large numbers of ethnic Albanians decided to remain in Macedonia once the Kosovo crisis was over.

To ease public fears, the Skopje government has stepped up measures to control the border traffic. In

Jazince, for example, Macedonian troops intercepted a Kosovo Albanian convoy in no-man's-land last weekend. Troops and border police also prevented an illegal border crossing by 27 members of the KLA, who responded to warnings and turned back peacefully.

The aid worker suggested the delay in processing the refugees at the Jazince and Blace crossings from Kosovo was perhaps deliberate, a bureaucratic version of the open disgust expressed by Macedonian soldiers for ethnic Albanian refugees.

"You have to remember that the last thing they want is hundreds of thousands of displaced people moving into the country and then stirring things up by preaching resistance to Slav authority and the dogma of a Greater Albania among their fellow Muslims here."

It may already be too late to stop in villages such as Jazince, Greater Albania is no longer seen as just an intoxicating vision.

"I know history," Mr Kameri said. "This is Albania, not Greater Albania - which is just Belgrade's propaganda - because Kosovo belonged to Albania, and so did this region too."

Turkish nationalists savour big advance in general election

Nationalism has replaced Islam as main form of political protest, says Leyla Boulton

Party campaigners were told to shave every morning, avoid white socks, and cut down on their consumption of garlic.

Turkey's Nationalist Action party (MHP) worked hard for its meteoric rise to become the second largest group in parliament in general elections last Sunday.

With nationalism replacing Islam as the main form of political protest in Turkey, the party owed its stunning victory largely to public disgust with squabbling mainstream politicians and delight at the capture of Abdullah Ocalan, leader of the banned PKK guerrilla group.

The party's new leader, Devlet Bahçeli, a fastidious 50-year-old economist who is particularly averse to white socks, was instrumental in giving the party a new air of respectability that enabled it to widen its popular support to 18 per cent of the vote.

"I wanted to give them a try because they are honest, they don't lie, they don't exploit religion, and they are brave in the fight against the PKK," said Hilmi, a 20-year-old student celebrating victory at the party's headquarters in downtown Ankara's Carnation Street.

But after two decades on the fringes of Turkish politics, the ultra-nationalist MHP is still more frequently associated with a violent past than its claim to lie at the centre of the political spectrum suggests. Its extreme rightwing militants, known as Grey Wolves, played a key role in political street killings which triggered Turkey's last military coup in 1980.

More recently, unsolved or attempted assassinations of leftists, human rights activists and Kurds are believed to have involved some collusion between far-right gunmen and security forces sympathetic to the MHP.

The party counters that in the past few years it has shed its extremist elements, and Tunca Toskay, the MHP's urbane deputy chairman, points out that all Turkish politicians have moderated their stance since the turbulent 1970s. He notes for instance that associates of Bülent Ecevit, the former leftwinger who came first in the election "used to wave red flags".

After failing to pass the threshold for entering parliament in 1995, the party drew support from the poor and unemployed in big cities as well as professional people and academics.

Remazan, an unemployed 34-year-old in Adana - an industrial centre on the fringes of the mainly Kurdish south-east - voted for the MHP to stop Kurdish "separatists" from trying to "break up Turkey".

His first wife was Kurdish and like many Turks he thinks Kurds have no need for special rights beyond those enjoyed by all Turkish citizens.

A faithful party member, he was also promised a job as a driver for the city administration in the event of an MHP election victory.

Large sections of the police and military special forces at the forefront of the war against the PKK are bastions of MHP support. While adopting impeccable reformist views on most other subjects, the party is ferocious in denying that Turkey's Kurdish problem is anything other than a "terrorist" one.

At the other end of the social scale, Kamil Ugurlu, an architect and environmental expert at Selcuk University, was recruited as the party's candidate for mayor of Konya, an important cultural centre, as part of MHP efforts to woo middle-class voters.

While his wife served tea and cakes in their plush

UK revokes Kurd TV licence

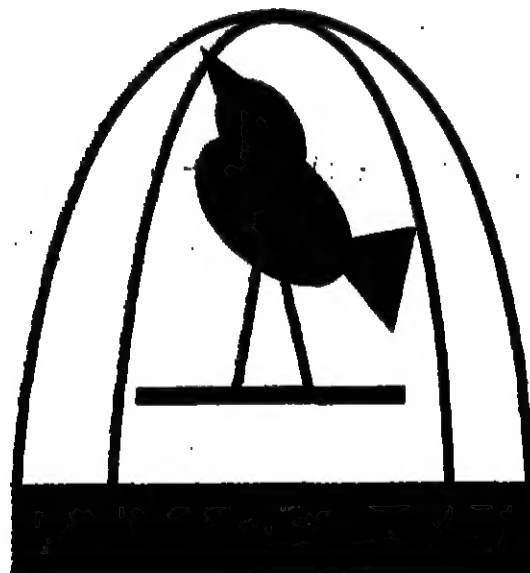
Britain's TV watchdog yesterday revoked the broadcasting licence of Kurdish satellite channel Med TV, which Turkey argues is a mouthpiece for armed separatist rebels, Reuters reports from London.

The Independent Television Commission said it revoked the licence because broadcasts contained statements "likely to encourage or incite to crime or lead to disorder". This takes effect in 28 days.

villa, Mr Ugurlu complained about Konya's lack of town planning and demonstrated the use of ancient Turkish agricultural tools adorning his sitting room wall. "The MHP is the only party which simultaneously is open to the world and defends our cultural colours," he says.

Founded in the 1960s to fight communism and aid Turkic nations beyond Turkey's borders, the party's first vocation was made redundant by the collapse of communism. At the close of the 20th century, however, its nationalist mission has found ample new justification - ranging from "ethnic cleansing" of Moslem Kosovars to Turkey's perceived humiliation by the EU, which, as Mr Toskay says, has admitted newer east European applicants "while keeping us at the door".

But even on the Kosovo conflict, party officials admit there is little that the Nato member can do independently of the alliance. "Our feet are firmly on the ground: we are not Don Quixotes," says Mr Toskay. Many liberal Turks, shocked by Sunday's result, have been somewhat reassured by such MHP utterances over the past week. Now they are waiting to see whether the MHP, which says it wants a stable "left-right" coalition with Mr Ecevit, can deliver.



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INTERNATIONAL

IMF to offer anti-contagion credit

Plan agreed to protect countries with good economic policies, reports Robert Chote

The International Monetary Fund has agreed to offer precautionary credit lines to countries with sound economic policies to protect them from the sorts of financial crises that have swept emerging markets over the past two years.

and to keep policy on track. Applicants will also need to observe international codes of conduct, covering statistical, monetary, financial and fiscal policies.

'Scheme will prevent need for larger rescue packages'

Applicants also need good relations with private creditors. There is no automatic requirement to agree parallel credit lines with the private sector, as some board members wanted, but in practice the Fund is unlikely to look favourably on an applicant which is unable to borrow in the market.

IMF board decide how much money the country will receive.

Like the supplemental reserve facility, the credit line will have no formal access limit. But in practice the sum is likely to be 300 per cent to 500 per cent of the applicant's 'quota' or shareholding in the Fund.

At the insistence of some directors, including Germany and Switzerland, the Fund has agreed it might ration the amount available if its liquidity is under pressure because of heavy demands. At present the Fund has \$76bn in uncommitted resources, plus \$46bn available under pre-arranged credit lines.

China tourists out to fleece Aussie sheep

By Gavin Robinson in Sydney and James Harding in Shanghai

Given the growing Chinese penchant for sheepskin coats, sheepskin car covers and lambswool sweaters, it has been an alarming week for Australian sheep.

China has granted Australia 'approved destination status', making it possible for the first time for ordinary Chinese to get a holiday visa to visit a western country.

The trickle of Chinese visitors to Australia is set to become a torrent of package holidaymakers from the people's republic, delivering billions of dollars to Australian tour operators and shopkeepers - particularly those selling sheepskins.

Don Morris, chairman of the Australian Tourist Commission, said the decision to approve Australia for Chinese holidaymakers 'opens the door to the world's largest single source of potential visitors'.

Under the bilateral agreement signed this week in Shanghai, Australia became the first western country to join the list of officially approved tourist destinations for China's small but burgeoning numbers of

China quashes move by US on rights

By Frances Williams in Geneva

The US yesterday said it was 'deeply disappointed' after China succeeded in quashing a US-sponsored resolution condemning Beijing's human rights record at the United Nations human rights commission in Geneva.

Washington nevertheless derived some small diplomatic comfort from the success, by one vote, of a resolution against Cuba.

The 53-member UN commission voted by 23 to 17 with 14 abstentions in favour of a 'no-action' motion by China, which meant the US resolution, also backed by Poland, could not be debated or voted on.

Beijing has defeated every resolution against it in the commission since 1990, the session that followed the student killings around Tiananmen Square in Beijing in June 1989.

Last year, the US and the European Union decided not to sponsor a resolution in favour of pursuing a human rights dialogue with China. But in putting forward the resolution this year Washington said that the human rights situation had significantly deteriorated.

The resolution expressed concern about alleged abuses, including unfair trials and harsh sentences handed out to political activists and 'increased restrictions' in Tibet.

European nations, Canada and Japan joined the US in voting against China's no-action motion.

However, China was backed by many developing nations which accused the US of double standards on human rights and of using the human rights commission to placate domestic political interests.

US officials said yesterday that Washington would continue to press Beijing to bring its human rights practices into compliance with UN principles, beginning with ratification of the international covenant on civil and political rights which China signed last October.

The Cuban resolution, tabled by the Czech Republic and Poland, was adopted by a one-vote margin with 21 votes in favour and 20, including China and Russia, against. There were 13 abstentions.

The resolution, also backed by Germany, France and the UK, expressed concern about 'continued repression' in Cuba and urged the release of all prisoners jailed for religious and political beliefs.

However, it did not call for the reappointment of a special investigator.

Tokyo's new governor does things his way

By Michio Nakamoto in Tokyo

Under a steely grey sky that threatened an imminent downpour, the band in mock military uniform played 'My Way', the tune made famous by Frank Sinatra, as Shintaro Ishihara arrived for his first day on the job as Tokyo governor.

Familiar to almost any Japanese, and an old-time favourite of many elderly men in particular, the tune will have had ominous reverberations for Tokyo city employees anxious to get to know the man who will be their boss for the next four years.

Mr Ishihara, known to be an independent spirit with a tendency to speak his mind, chose the song himself, as if to signal the new order to come.

The former best-selling novelist turned politician, who is known outside Japan for his book, *The Japan That Can Say No*, which was co-written with Akio Morita, founder of Sony, has given

Tokyo city officials plenty of cause for apprehension.

Even before his inauguration, he was at the centre of controversy both in and outside Japan.

Earlier this week, the deputy chief of public relations in China's foreign ministry accused Mr Ishihara of being insensitive to Chinese feelings by playing down Japanese atrocities in the 1937 Nanjing Massacre.

At the same time, the Chinese Communist party newspaper, *The People's Daily*, warned that Mr Ishihara's recent comments at the Nanjing massacre was a fabrication and that he would be seeking formal ties with Taiwan, 'could seriously undermine Sino-Japanese relations'.

Back home, the head of Japan's Defence Agency was forced to deny the possibility that Japan would seek the return, or joint use with the US military, of Yokota Air Base. This was one of Mr Ishihara's campaign promises.

Mr Ishihara's campaign pledges to restrict the use of private cars in Tokyo and tighten emission laws on diesel trucks have triggered concerns that his style of using the stick of regulation rather than the carrot of incentives will be costly, divisive and, ultimately, ineffective.

Of equal concern to city officials are his proposals to privatise city services and reduce the number of new city workers by two-thirds.

As he addressed city officials for the first time, Mr Ishihara sought to tone down the rhetoric which has won him enemies as well as friends.

'I was told that my expressions are rather harsh,' he admitted.

Mr Ishihara may be in conciliatory mood, but he is unlikely to be free of controversy for long.

Having appealed to family values during his campaign and presented the picture of proud fatherhood with his four sons, Mr Ishihara was



Tokyo Governor Shintaro Ishihara: An independent spirit

yesterday under pressure to justify his calls for a greater focus on morality.

As he took his first tentative steps towards co-operation with city officials yesterday, a widely circulated

weekly magazine featured an article on Mr Ishihara's fifth, illegitimate son, who is recognised by the governor as his own, but was unknown to most Tokyoites before the election.

\$1.2bn boost for professional tennis

By John Barrett in Monte Carlo

The future of men's professional tennis seems to be financially secure following the announcement yesterday of a \$1.2bn commercial agreement between the ATP Tour and ISL Worldwide, the Swiss-based sports marketing company.

Under the terms of the deal, the biggest in tennis history, ISL has guaranteed to pay the ATP \$120m annually for the next 10 years in return for exclusive marketing, television and licensing rights to the 'Super 9' tournaments.

ambitious undertaking by ISL, Daniel Beauvois, the company's managing director, is confident of finding the 10-12 big corporate partners and the four to six official suppliers needed to provide the bulk of the funds.

Mercedes-Benz, the German motor company which contributes approximately \$11m a year under the present contract, has already agreed to continue its association with the Tour. It has reported improved brand awareness and increased sales in the markets where the Mercedes-sponsored

Super 9 tournaments take place - the US (Indian Wells, Key Biscayne, Cincinnati), France (Monte Carlo, Paris), Germany (Hamburg, Stuttgart) and Canada (Montreal).

ISL already handles the marketing of the Olympic Games and football's World Cup, and the company believes multinational companies are looking to increase their emphasis on sports sponsorship.

'Tennis has all the elements that appeal to a broad international audience and is an ideal sport for television,' said Mr Beauvois.

However, untangling the 200 or so existing sponsorship and the individual television contracts for the nine tournaments will be a complex and time-consuming business, and could take two or three years to complete.

As part of the changes to professional tennis next year aimed at broadening the sport's appeal and making it more easily understood, the ATP Tour will introduce a year-long points race that will determine who will become World Champion for 2000.

NEWS DIGEST

CHINA-US TRADE NEGOTIATIONS

Negotiators to reschedule talks on entry to WTO

Chinese and US trade negotiators ended two days of talks in an attempt to close a World Trade Organisation deal yesterday 'without obvious results', the official Chinese news agency reported last night.

However, the two sides 'will continue their talks on the remaining issues of China's accession to the WTO in the future', Long Yongtu, China's chief negotiator on its WTO bid, was quoted as saying.

The comments were made following another meeting with Robert Cassidy, the US assistant trade representative sent to Beijing to restart discussions after the near-miss on an agreement when Zhu Rongji, prime minister, visited Washington earlier this month. James Harding, Shanghai

SOUTH KOREAN MARKETS

Futures exchange launched

South Korea yesterday launched its first futures exchange after the lack of a system to hedge risks was blamed for contributing to the nation's recent financial crisis. It will trade four products, including dollar/won futures and options, three-month certificate of deposit interest rate futures and gold futures.

But liquidity is expected to remain low since the Korea Stock Exchange retains control of stock price index futures, a rapidly growing trading sector. The futures exchange hopes to include interest rate futures on three-month Treasury bonds by July. The futures exchange was opened in Pusan, Korea's second largest city.

The 11 member companies of the exchange include the Hyundai and Samsung groups, financial institutions and commodities traders. John Burton, Seoul

MACAO POLITICS

Banker favourite for leadership

Edmund Ho, a Macao banker, yesterday emerged as clear favourite to become the Portuguese enclave's leader when it returns to Chinese rule in December. Mr Ho won 125 of the 200 votes of a China-appointed selection committee in the first-round ballot. He appears well ahead of his only challenger, Stanley Au, also a banker, who won 65 votes.

Three candidates failed to secure the necessary votes to enter the second round of voting on May 15.

Both candidates are known as moderate pro-business community leaders with friendly relations with Beijing.

Mr Ho, executive director of Tai Fung Bank, said last week his focus would be on law and order, public security and the economy. Reuters, Macao

Portugal recalls blossoming of the 'carnation revolution'

Restraint and tolerance have helped to prevent violence as the country has built on the military coup of 25 years ago

By Peter West in Lisbon

Miguel Guterres has let his beard grow for three days, as instructed, and is standing behind a tank manned by young soldiers with red carnations in their rifle barrels. People in the crowd in the Lisbon square raise their arms and begin to chant: 'Victoria, victoria'.

A sound engineering student, Miguel was born eight months after the scene he is helping to re-enact as an extra in a film about the left-wing military coup which, 26 years ago tomorrow, launched Portugal's 'Revolution of Carnations'.

'I felt moved when we all started to cheer,' he says. 'I would have liked to have been there and taken part. This was a truly romantic revolution that was largely successful in avoiding violence.'

Most Portuguese are gripped by similar emotions as they celebrate the anniversary of the overthrow of the most enduring dictatorship in western Europe and the ending of long colonial wars in Africa. The carnations that grateful flower-sellers threw to the soldiers are today a national symbol of freedom.

Miguel, like most Portuguese, believes the coup was crucial in setting the country on a path toward parliamentary democracy. But there are dissenting voices. José Saramago, the Nobel

prize-winning novelist, raised controversy recently when he said: 'Portugal would have arrived exactly where it has today, if there had been no revolution.'

Mário Soares, the former Socialist leader who played perhaps the most important role in Portugal's transition to democracy, sees this as the view of a disillusioned Communist who would have liked Portugal to become a European version of Cuba.

This was the aim of some military leaders of the revolt, who were inspired by the radical socialism of the African independence movements they were fighting.

'We are doing away with the rich in Portugal,' a young army captain told the late Otelo Palmeira shortly after the coup. 'Remarkable,' replied the Swedish socialist Communist who would have liked Portugal to become a European version of Cuba.

This was the aim of some military leaders of the revolt, who were inspired by the radical socialism of the African independence movements they were fighting.

'Entering into a civil war would have been totally irresponsible. The idea never entered my head,' says Otelo Saravala de Carvalho, the chief military strategist of the coup, who in the ensuing months sought to steer Portugal towards a 'people's democracy' of local assemblies and workers' committees.

'The ties between officers were so strong that we could not have turned our guns on each other.'

In November 1975, a failed push for power by the far left brought an end to a brief romance with revolutionary socialism and set the stage for the military to bow out of politics. The fears of western governments that a Soviet-influenced Portugal would shut itself off behind a 'sardine-can curtain' dissolved.

Mr Saravala de Carvalho's refusal to align with the November revolt or to sanction the distribution of arms was crucial to the victory of moderate forces. Looking back, he believes this was the pivotal moment when the revolution returned to its original goal of establishing a parliamentary democracy.

If the revolution got rid of the rich, it was only temporarily.

The handful of powerful families that dominated the economy during the 48 years of the authoritarian regime fled into exile. Their assets, including more than 50 per cent of the banking system, were nationalised by a pro-communist government in 1976.

When Portugal began privatising assets in 1988, it was mainly former owners, or their heirs, who returned from abroad and bought them back. António Champalimaud, 30, an industrial magnate under the previous regime, today heads a large financial group and is the country's richest individual.



The Portuguese mark a coup that brought democracy

Portugal showed similar tolerance towards the leaders of the old regime and the political police, the Pide, that served it. Marcello Caetano, the prime minister who took over from the ailing António de Oliveira Salazar in 1968, was sent into exile in Brazil, where he died. A few Pide officers served relatively short prison terms.

'I was always against judging the old regime. Portugal needed to forgive, forget and move on,' says Mr Soares, 74, who served three terms as prime minister and two as president.

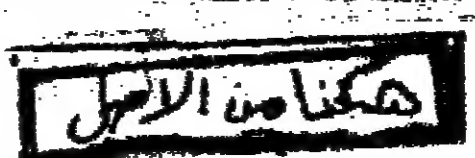
The country also showed remarkable resilience when it peacefully absorbed more than half a million refugees from its former African colonies at the height of revolutionary turmoil in 1975.

Portugal's hasty withdrawal from its former overseas possessions, several of which remain afflicted by conflict and poverty, is felt

Latest data... promise of... Market... probe...

Blair accuses of industry liquidation

Blair accuses of industry liquidation... close gender...



THE ECONOMY MIXED REACTION TO 'SOFT LANDING' SIGNALS

Latest data confirm promise of growth

By Richard Adams, Economics Staff

There was official confirmation yesterday that the UK economy had ceased to flirt with the possibility of a recession. The Office for National Statistics announced that economic activity continued to expand in the first three months of this year, though by the barest of margins.

Growth in the first quarter was 0.1 per cent compared with the final quarter of last year, the ONS said. That dragged annual growth down from 1.1 per cent to 0.7 per cent - the slowest rate of expansion since the current recovery started in 1992.

The ONS put growth in the service sector at 0.4 per cent compared with the previous quarter, with most of the impetus coming from the "distribution" sub-sector, which includes retailing.

Without giving specific numbers, the ONS said it expected that the industrial and manufacturing sectors experienced falling production during the quarter. And within the service sector there was only weak or moderate growth.

The exception was retailing, where the ONS said it expected a "strong quarterly increase", in the same magnitude as the 1.1 per cent increase in retail sales volumes published earlier this week.

Some City economists hailed the new figures as a sign of the first "soft landing" for the economy for 35

Market abuse probe delayed

Plans for tougher penalties against market abuse are to come under further scrutiny after a parliamentary committee failed to resolve concerns about whether these would breach the European Convention on Human Rights, George Graham writes.

A joint House of Commons/House of Lords committee examining the government's plans to overhaul the regulation of the British financial services industry will still report next week, as planned, but is to take another month to examine proposals on areas such as price manipulation or insider trading.

Serious concerns have been raised about the government's plans to allow the Financial Services Authority, the industry's regulator, to fine people for market abuse under civil procedures, without providing the legal protections usually required for criminal prosecutions. The committee is expected to take more evidence from the Treasury and others.

years, although other analysts remained cautious. The ONS's first estimate of gross domestic product is prone to revision, and is likely to be updated when more details become available. The 0.1 per cent growth could easily

be revised down to a 0.1 per cent contraction.

Michael Saunders, the UK economist at investment bankers Salomon Smith Barney Citibank, the investment bank, pointed out that the recent slowdown continues the divergence between growth on this side of the Atlantic and the United States.

The gross domestic product figures confirmed what many analysts, including the respected National Institute for Economic and Social Research, had forecast. Salomon Smith Barney Citibank said it had cut the risk of a recession from 40 per cent to 10 per cent.

The news came after a week of strong economic data, showing a rebound in consumer confidence, retail spending and stronger personal borrowing.

"The interesting question is not whether we are close to a recession, but is the pick-up happening now?" said Martin Weale, director of the national institute. Mr Weale said there was no strong case for further cuts in interest rates by the Bank of England, the UK central bank.

David Hillier, UK economist at Barclays capital investment bank, said that he expected growth to be stronger in the second quarter of the year, and has revised his estimate of annual growth from 0.5 per cent to 0.7 per cent.

The ONS cautioned that its first estimate was only provisional data.

Notting Hill film may climb to worldwide wealth

Universal Pictures gives its latest British production the Hollywood hit treatment, reports Alice Rawsthorn

As photo opportunities go, it should be hard to beat the spectacle of Julia Roberts flying into London for the world premiere next Tuesday of her new film, *Notting Hill*, with co-star Hugh Grant and his girlfriend, Elizabeth Hurley.

Ever since she made her name by appearing at the 1994 premiere of *Four Weddings and A Funeral*, clad in a safety-planned Gianni Versace frock, Ms Hurley has rarely disappointed the paparazzi.

They must be salivating at the prospect of the woman who attended a (male) friend's wedding last summer flashing leopard-print underpants, striving not only to trump that outfit but also to outshine Ms Roberts.

If Universal Pictures, the company releasing *Notting Hill*, has its way, the premiere will be only the beginning. *Four Weddings* became the highest-grossing British film ever by earning £161.6m (\$260m) at the global box office, and Universal is convinced *Notting Hill*, made by the same production team as *Four Weddings* but with Julia Roberts' Hollywood starpower, should do better.

"It's a fantastic film, which is 99 per cent of the equation," says Stewart Till, president of Universal's international distribution subsidiary. "The only thing that makes me nervous is that our expectations are so high."



Highest grossing UK-produced films

280
250
228
71
97
25
52
18
12
42

that category with its \$4.5m production budget; as did 1997's *The Full Monty*, which cost even less, but grossed \$250m. The only exception is *Bean*, made by Working Title, the Universal production subsidiary behind *Notting Hill*. *Bean* cost \$18m and was aggressively promoted because its producers could capitalise on the popularity of the *Mr Bean* TV series.

Notting Hill will set a precedent as the first British film to be launched in the same way as an expensive Hollywood "event movie", or surefire hit. If Universal's confidence is vindicated, its success could persuade other producers to make more ambitious pictures. If *Notting Hill* founders, they may conclude the only successful British films are quirky, low-budget surprise hits.

In theory, *Notting Hill* has everything it needs to succeed. It was allocated a \$45m production budget, 10 times higher than *Four Weddings*. Julia Roberts signed up for a fee of nearly \$15m, although her asking price has since rocketed to \$20m since the triumph of her 1997 romantic comedy, *My Best Friend's Wedding*.

Notting Hill, about the accident-prone romance between Hugh Grant, a London bookseller, and Julia Roberts, the world's most famous film star, was shot in west London last spring and summer. After it achieved record scores at US and UK test screenings last autumn, Working Title began to research promotional strategies.

"The biggest issue was striking a balance between the romantic and comedic elements of the film," says David Kosse, Universal's head of international marketing. "For most countries, the trailer and TV spots will emphasise comedy to make it appealing to men, as well as women. But for the US, where it takes a couple of minutes for Americans to adjust to foreign accents, even English ones, we've gone for romance."

Another important issue was timing. Early summer is usually a good time for romantic comedies, but Working Title, like other production companies, was concerned about the risk of competing against the new *Star Wars* film, coming out in the US in early July.

Notting Hill will debut in UK cinemas on May 21, and in the US on May 28, giving it six weeks to build an audience before *Star Wars* swamps the multiplexes. It will then be released in other countries throughout the summer.

"We've pulled out all the stops," says Mr Till. "And if... *Notting Hill* is a big hit, I hope it will make the rest of the UK industry more confident about making bigger-budget films."

Blair accused of industry liquidation sale

By David Wighton, Political Correspondent

Tony Blair, the prime minister, was yesterday accused of launching a "closing down sale for British industry" after urging US companies to make more acquisitions in the UK.

Critics pounced on comments he made in the US about the strong financial links between the two countries. In a speech in Chicago, Mr Blair quoted figures showing that nearly half the \$124bn US companies spent on foreign acquisitions last year went on British companies. "We would like it to be more," he said.

John Redwood, the Conservatives' trade and industry spokesman, claimed Mr Blair had "put up a 'for sale' sign" on British companies. "Even Margaret Thatcher never proposed a grand liquidation sale for Britain."

He said it was "very insensitive" of the prime minister to make such a suggestion at a time when many manufacturing companies were struggling to stay afloat. "Tony Blair obviously knows something we don't about the profit outlook for British industry and wants to sell it off before there is nothing left."

Mr Redwood suggested that Mr Blair should have said that he wanted to see US companies investing more in the UK rather than buying up more British companies.

But Downing Street stuck by the prime minister's words. "What he was saying was that there is a strong two-way traffic of invest-

ment between the two countries and he wanted to see that prosper."

In his speech to the Economic Club of Chicago, Mr Blair pointed out that Chicago was "home" to many of Britain's most important inward investors such as Motorola, Sara Lee and RE Donnelly. "Nor is the traffic all one way. British investment in Illinois generates some 46,000 jobs, making us the biggest foreign investor in the state. And the London futures exchange is working alongside your Board of Trade and Mercantile Exchange to lead the revolution in electronic trading."

The figures on acquisitions quoted by Mr Blair came from research compiled by the corporate finance arm of KPMG, the accountancy firm. This showed that US companies made \$124.7bn of cross-border acquisitions in 1998, of which 40.3 per cent was spent in the UK. Although the US figure was a 50 per cent increase on 1997, it was topped by UK companies that made \$127bn of acquisitions overseas in the same period.

In his speech, Mr Blair referred to the historic business connection between the city and Britain. "Marshall Field opened their first overseas buying office in Manchester in 1870. One of Field's shop assistants subsequently opened his own store in London in 1908. His name was Harry Selfridge."

Selfridge employed the architect who designed Chicago City Hall to build his store in London's Oxford Street.

Call to break up 'cartel' in fund sector

By Jane Martinson, Investment Correspondent

Leonard Licht, a founding father of Mercury Asset Management, the UK's leading pension fund manager, believes the industry is now too concentrated, too conservative and too much of a cartel.

After more than 30 years in the industry, he said, "The cartel of five or six cart horses needs to be broken up. There has got to be a bit of fresh air let into the industry because it's stagnating."

His comments come as the pension fund sector endures a period of angst over the responsibilities of fund managers, consultants and their clients.

The recent spat between the pension fund of Unilever and Mr Licht's former employer has brought fundamental tensions in the industry to light. Unilever is investigating a case for compensation after Mercury underperformed its benchmark by 10 percentage points in 1997.

In speaking out against the system, Mr Licht is echoing other industry experts, notably leading investment consultants, who believe that the pension fund industry has become too consolidated.

Blockbuster move set to close gender reading gap

By Simon Targett, Education Correspondent

Boys should be turned on to reading with a diet of blood-curdling and action-packed stories that overturn the "uncool" image of literature, the government said yesterday.

Under new guidelines to be unveiled next month, boys will be encouraged to read such boisterous "boys' own" blockbusters as the adventure tales by Robert Louis Stevenson, thrillers by Raymond Chandler and the translation of Homer's *The Iliad*, recording the Trojan war.

It follows mounting evidence that there is a grow-

ing "gender gap" between boys and so-called "can-do" girls, which, if it is not closed, could undermine the government's crusade to raise standards.

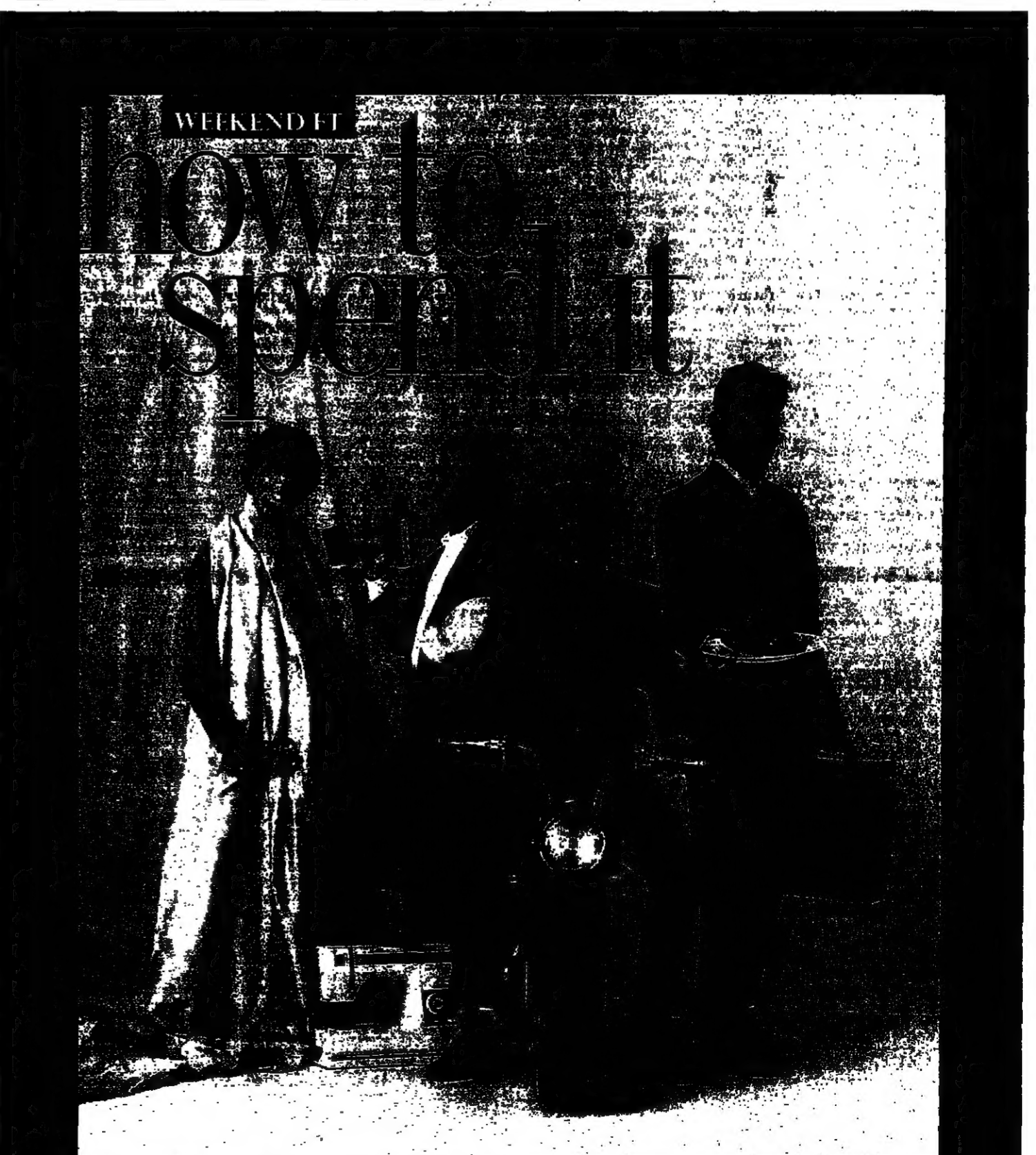
David Blunkett, the education secretary, who has promised to resign if national literacy targets are not reached by 2002, has told the Qualifications and Curriculum Authority, a government body, to prepare a revised national curriculum for September 2000.

Estelle Morris, school standards minister, said: "No stone must be left unturned in getting boys to read," adding that "there are some books which have content that boys prefer to read."

Mr Blunkett's advisers said yesterday that the government wants teachers to steer boys away from authors such as Jane Austen and the Brontë sisters and towards more "boy-friendly" texts.

Robert Louis Stevenson, author of *Treasure Island* and *Kidnapped*, "may be more likely to appeal to boys, and teachers should be aware of that."

The national literacy target is for 80 per cent of 11-year-olds to reach the expected standard for their age by 2002. Yet last year 66 per cent of 11-year-old boys achieved the expected standard in English compared with 80 per cent of girls.



home fixers, wreck divers, cyber buyers

Refining the art of domestic delegation, searching for sunken Filipino treasure and bidding for Michael Owen's shorts on the internet. All in how to spend it colour magazine, free with the Weekend FT next Saturday.

COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday April 24 1999

Over the hump (well, maybe)

The meetings of the world's economic and financial elite in Washington this weekend take place against a backdrop that has a pleasingly post-crisis feel about it.

Investors have regained their faith in the growth prospects of many emerging market economies. The International Monetary Fund, in its latest World Economic Outlook, projects an increase in world output from a depressed 2.3 per cent this year to a more respectable 3.4 per cent in 2000.

Meanwhile the robustness of the US economy continues to offset malign developments elsewhere, most notably in Latin America. Nowhere in the developed world is inflation much in evidence.

The scene is well set for a rebalancing of global growth after a year in which US consumers and investors accounted for nearly half of the increase in world demand.

Global markets appear nonetheless to have concluded that the worst is over in Europe. As in the US, European equities have seen a shift in investors' preferences towards cyclical stocks, implying renewed optimism about growth prospects.

One plausible alternative scenario is that the US will continue to surprise by surpassing the IMF's growth projection of 3.3 per cent for 1999 compared with 3.9 per cent last year.

Yet the danger in high growth persisting in the US is that the slowdown will be more abrupt when it comes, with a renewal of inflationary risks, a sharp stock market setback in response to monetary tightening, and a fall in demand as consumers attempt to rebuild their savings.

Another equally plausible outcome is that the rest of the world will fall to come in on cue with sufficient impetus.

Japan may bottom out this year in response to a huge fiscal stimulus and a return of confidence in the banking system, but it is hard to see a significant boost to global demand from Japan for the foreseeable future.

Cyclical downturn So much depends on Europe, where Britain is now in a cyclical downturn. As for the recovery in continental Europe, the big three economies - Germany, France and Italy - have been flagging since the turn of the year.

The biggest worry is Germany, where the new finance minister Hans Eichel this week warned that the growth target for 1999 might be missed. Even after the

European Central Bank's half point cut in nominal interest rates, the real rate of interest in Germany does not offer much help.

Nor is the near-10 per cent devaluation of the euro against the dollar quite as helpful to German exporters as it appears. The euro's predecessor currencies had a significant run-up before the introduction of economic and monetary union on January 1.

Italy is similarly stagnation-prone, having suffered disproportionately from the loss of export opportunities in Asia. It is at one with Germany in being afflicted not only by inadequate domestic demand, but also by a marked reluctance to address the rigidities of its labour market.

Others in the euro-zone - even France under Lionel Jospin - are better placed. Global markets appear nonetheless to have concluded that the worst is over in Europe.

Both countries dismiss the caricature. "It's rubbish," Mr Blair's official spokesman spluttered, pointing out that the UK was very much a junior partner in the Nato pact. "We are as one with the British over our approach," US officials concur.

But the image is a powerful one - and a reminder of the diverse political environments in which Nato leaders are operating. As 19 democracies go to war in alliance for the first time, they provide an intriguing glimpse of the differing constitutional and political constraints they face.

Given that the US provides the bulk of the firepower, it has much more at stake than any other country involved. But some critics believe the country is not reaping the costs of the impeachment saga of the last year. They say Mr Clinton was distracted by his fight for political survival and failed to take crucial decisions early on that might have prevented the Kosovo troubles from reaching their current crisis.

Sidney Blumenthal, a senior adviser to the president, disagrees. "During the last year, the president put together the Wye Plantation peace accords, attacked Iraq, concluded a balanced budget agreement with Congress, engaged in the most successful mid-term election campaign in presidential history, and set in place a programme for long-term fiscal reform. How did impeachment distract him?"

Mr Blumenthal points out that a US president is simply under greater political and constitutional constraints than most leaders in a parliamentary system. A Republican majority in Congress is in no mood to offer much support for the president's actions. Like many presidents before him, Mr Clinton is strugg-

ling to wriggle around the ligatures of the War Powers Act, which requires congressional approval for protracted military engagement.

But Mr Clinton's position is also hampered by political, rather than constitutional, limitations. Broader American concerns about embanglements in far-flung foreign lands constrain the effectiveness of what critics see as a poll-driven administration. It all adds up to a necessarily cautious US approach - one that leaves a leadership vacuum for someone else to fill.

There is little doubt that Mr Blair is more relaxed about the use of ground troops than any other Nato leader. He has exploited his strength at home, and used it to project a grand vision of Britain as a key player in Europe while serving as a bridge to the US.

His rhetoric shows he has no qualms in offering advice to the world's last superpower. "I say to you: never fall again for the doctrine of isolationism: the world cannot afford it," he told an audience in Chicago.

Perhaps surprisingly for the leader of a Labour party which views Lady Thatcher with special loathing, Mr Blair enjoys being compared to a latter-day Boadicea. And the Thatcherite confi-

dence - bordering on arrogance - has been a feature of his US visit, particularly in setting out a grandly titled "doctrine of international community".

The Blair doctrine - in effect a charter for interfering in countries with brutal regimes - questions the sanctity of a nation state as the basis of international law. He hints that perhaps the UK can play a unique role in shaping such a charter.

Reluctant crusaders

The ambivalence of some Nato leaders towards escalating the war in Kosovo reflects the differing political constraints they face back home, say Gerard Baker and George Parker

Nine years ago, in the grim hours after Iraqi tanks rolled through the streets of Kuwait, fate chose to place Margaret Thatcher in a Rocky Mountain redoubt with President George Bush. The US president had offered what critics saw as a somewhat diffident initial response to the invasion, and the British prime minister was about to provide some backbone.

"This is no time to go wobbly, George," she is reported to have told the hesitant US president.

This weekend, at the gathering of Nato and other leaders in Washington, some see a parallel to that Aspen meeting in August 1990.

Bill Clinton, a weakened president of a country that seems uncertain and divided over just how tough to get in Nato's conflict with Yugoslavia, cuts a poor figure as a war leader. Tony Blair, the British prime minister, by contrast, with invulnerable support at home and a Thatcher-esque approach to troublesome dictators, is ready to insert some spine into a querulous Nato leadership, pushing to make the use of ground troops in Kosovo a real option.

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"We are not going to be the wimps," said one chancellor aide early in the crisis. It has not been an easy path to take. The participation of the Luftwaffe in the bombing campaign represents the first battle engagement of German forces since 1945: many in Mr Schröder's Social Democratic party, as well as the Greens, hoped never to see Germany engaged in conflict again.

The chancellor has had strong backing from Joschka Fischer, the Green foreign minister. Mr Fischer's standing within the Green party has helped, so far, to avert potentially fatal splits in the governing red-green coalition. But that could change if a clear victory for Nato remained elusive, or if Mr Schröder reversed government policy and backed the deployment of ground troops.

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Clinton Blair

Given that the US provides the bulk of the firepower, it has more at stake than any other country

"It would be much, much harder if we were in a coalition," Mr Blair has told friends - a reference to the problems facing the governments of EU states like Germany and Italy.

As it happens, the Kosovo war has enhanced the political standing of Gerhard Schröder, the German chancellor. The outbreak of hostilities distracted attention from a host of domestic problems left unresolved by the dramatic

resignation of Oskar Lafontaine as finance minister in March. But it has also provided an opportunity to make good his pledge that a Social Democratic-led German government would shoulder its international responsibilities within the Nato alliance.

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year-old ex-communist would be the first alliance leader to wobble, especially when he called for a speedy move to diplomatic negotiations only hours after the bombardment started four weeks ago.

Since then, Mr D'Alema has been a staunch supporter of the operation. As such, he hopes to counter lingering suspicions among Italy's western partners that his communist past makes him unreliable. Italian planes last week participated in attack operations, something that would have been unthinkable in previous conflicts. Carlo Scognamiglio, the pro-American defence minister, recently addressed US troops at the Aviano air base in English, an event that shocked Italy's right-wing traditionalists.

Mr D'Alema can act tough because of the support that the Italian public continues to give the Nato operation. The flood of Kosovo refugees into Albania (and fears that southern Italy may yet again find itself hosting thousands more refugees from across the Adriatic) have hardened public opposition to Milosevic. Polls show some 40 per cent of Italians back the bombing - high by previous standards.

Problems for Mr D'Alema would start if the war escalated to a ground offensive. Italy's communists would threaten to quit the ruling coalition, unsettling his government. Italy also needs to be watched next week if Viktor Chernomyrdin, the former Russian prime minister, manages to extract further concessions from Mr Milosevic on a possible peace deal. Mr D'Alema seems more determined to find a diplomatic solution to the crisis than his main Nato allies.

In the end, of course, the US must lead this diverse alliance - another tricky constraint for Mr Clinton. But it should not be assumed that all these difficulties will mean the US president sticks with the current "hands-off" strategy of air strikes alone, particularly if it falls to force Mr Milosevic's capitulation any time soon. Polls increasingly indicate Americans have perhaps more appetite for the fight than some of their leaders think.

It is also possible that Mr Blair's assertive approach could help the US president. Mr Clinton has often told friends of his frustration at the lack of a grand cause to define his presidency, beyond the prosperity the US has enjoyed throughout it. Senior advisers acknowledge he sees Kosovo as a defining moment of his presidency - the last great battle of the 20th century against tyranny. With an able British lieutenant at his side, he may conclude that the cause is truly worth the political risk.

As a senior administration official says of the Clinton-Blair axis: "They always come out in the same place."

Additional reporting by Ralph Atkins in Bonn and James Blitt in Rome

LETTERS TO THE EDITOR

May China's little emperors not be the last

From Mr Dr John W. Schiffler. Sir, I read with considerable interest James Harding's article "In the hands of China's little emperors" (April 17-18). I am quite familiar with Jianping High School, its headmaster, Feng Enhong, and the English teacher, Mr John Xu, whose English (including American colloquialisms) after a one-year stay in the US is extraordinarily good.

impressed by their enthusiasm for learning, their native intelligence, and their respect for education and educators. In imparting western literature to them, I endeavoured to acquaint them with the sibling rivalry so common to our cultural setting, for most of them - about 90 to 95 per cent - did not have this kind of experience to draw upon.

Based on what I learned during my 15-month stay, I would say that China's "one-child policy" is not only sound, it is a policy that should be seriously considered by all governments in the international community, as their population needs dictate.

ECB is delivering innovations and facing up to the challenge of improving cricket's image

From Mr Richard Peel. Sir, Your article "Let's switch to a ballgame fit for heroes" (April 17-18) was most timely. It talks of sports fans' shortening concentration spans, lack of cricket role models for them to emulate and the turn-off dull games are to watch.

The NatWest trophy now involves all counties as well as Denmark and Holland in a knock-out competition and there is a Super Cup - involving the top eight teams from last year's County Championship.

vision schedules, Channel 4 would not have been so determined to win TV rights, nor would OGU Life have agreed a 26m deal to sponsor the National League - the biggest deal of its kind for a domestic one-day league.

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We are keen to encourage letters from readers worldwide. Letters may be typed or handwritten. Letters should be typed and not hand-written.

Promoter of industrial interference

From Mr Eamon T. Fennessy. Sir, The continuing efforts of "do gooders" interfering where they are not wanted is reflected in your article about Bill Gates and the treatment Microsoft is receiving from the US Congress ("Gates comes in for a slaming", April 17-18).

Congress's attempts to scrutinise marketing policies of private corporations portends a growing trend: that "government knows best". I hope we in the US are not about to follow the "third way" of Professor Anthony Giddens of the London School of Economics, which emphasises government intrusion into matters that should be of no concern to the government.

Look what has happened to industries that were robust before the US Congress got involved...cigarettes, alcohol, automobiles, the environment and arms manufacturing. Now it is the turn of the computer industry, where the US is still doing well, but before long that too will suffer if Congress continues to intrude.

Next it will be the industries where intellectual property is involved - television, radio, theatre, publishing, the arts and so on. Please - keep Prof Giddens at home.

Eamon T. Fennessy, The Copyright Group, P.O. Box 5498, Beverly Farms, MA 01916, US

CONTRACTS AND TENDERS

ANNOUNCING A THIRD PUBLIC CALL FOR TENDERS FOR THE TOTAL ASSETS OF ECON INDUSTRIES S.A. BANK OF CRETE S.A. Includes details of tenders for various assets and services, such as land parcels, machinery, and other industrial equipment.

Handwritten signature or mark at the bottom of the page.

COMMENT & ANALYSIS

MAN IN THE NEWS MICHAEL ARMSTRONG

Hungry for more

The acquisitive chairman of AT&T is in a risk-taking mood as he continues to carve out a new future for the company, writes Richard Waters



The investors of Wall Street are beginning to suspect that Michael Armstrong is hooked on deal-making. The chairman of American Telephone & Telegraph romped through four multi-billion dollar acquisitions last year as a way to carve out a new future for the beleaguered telecoms company.

has made Mr Armstrong stand out even in an industry that is consolidating rapidly. The bid for MediaOne capped a week in which Deutsche Telekom and Telecom Italia agreed a €17.2bn merger - the largest industrial merger in Europe.

But despite the protestations of grand strategy there was more than a touch of opportunism to the affair. Under the swashbuckling Mr Armstrong, AT&T seems finally to have made the switch from being the staid, slow-moving giant of the US telecoms industry.

For the group's new cable executives, MediaOne may simply have been too tasty an acquisition to pass up. That is the impression left by Leo Hindery, the former president of TCI who is now running all of AT&T's consumer businesses.

But for all this enthusiasm, it will take all of Mr Armstrong's skills as a salesman to convince the world this is the right deal for AT&T. Wall Street took a dim view of his latest attempt at wheeling and dealing. AT&T's shares fell 10 per cent after news of the deal, as investors signalled their discontent.

His future father-in-law balked at the school sweethearts staying together, forbidding his daughter from following Mr Armstrong when he went to college. Armstrong says he confronted the General Motors executive in his living room, only to be told that "it was highly likely that I would end up selling popcorn" at the stadium of Detroit's home baseball team, the Tigers.

industry, which became Mr Armstrong's arch enemy. With his bid for MediaOne, the world has now turned full circle - and they sounded eerily similar to what he said when he surprised the market with his plan to buy TCI last June.

Opting for the road more travelled

As the Automobile Association considers ending its mutual status, Charles Batchelor and John Griffiths take a trip down memory lane



Road to riches: the AA logo, long a motorway feature, may become just as familiar to investors

In the early 1900s, when motoring was in its infancy, patrolmen from the newly-formed Automobile Association would salute every member they passed. These days, the AA's 4,000-strong patrol would find it hard to provide such a personal service to its 9.2m members.

meanwhile, are drawn to the strength of the "brands" involved and the opportunity to market other goods and services to a well-heeled membership. The motoring organisations are following a trail blazed by the building societies from 1989 onwards.

The AA's first paid official, its secretary Stenson Cooke, established an office in a small upstairs room lent by one of its founder members at 18, Fleet Street in London. Over the next decade, the number of cars on Britain's roads increased from 15,800 to 132,000 and AA membership rose from about 100 to more than 83,000, partly because of its amalgamation with the Motor Union at the end of 1910.

The AA's "not for profit" approach had permeated other areas of the business such as insurance and financial services when John Maxwell took over as director general two-and-a-half years ago. "It had become a universal problem and lost some of the sharpness of its focus," he says.

The usual suspects

After the Columbine massacre, Hollywood, the gun lobby and violent internet websites are beating a retreat, says Christopher Parkes

All the usual suspects - film companies, pro-gun politicians and the National Rifle Association - ran for cover this week as the hunt for the source of the Columbine High School massacre fanned out beyond the crime scene in Littleton, Colorado. A day after the killings, Metro-Goldwyn-Mayer asked retailers to remove copies of the video of The Basketball Diaries, in which a character played by Leonardo DiCaprio opens fire in a classroom.

and not simply from those encouraged by MGM's efforts to take The Basketball Diaries out of circulation. The film is already the subject of pending legal action over its alleged influence on the suspect in a previous school shooting. Other potentially sensitive productions include Matrix, in which Keanu Reeves plays out a series of violent scenes in a black duster coat. His garb is similar to the style adopted by the Trenchcoat Mafia members believed responsible for the Columbine killings.

power of the forces arrayed against the television industry. This is where the studios are most likely to feel the effects of a campaign by the Association of National Advertisers to change the tenor of their programming. The association represents leading manufacturers of consumer products - and purchasers of television advertising time - such as Procter & Gamble and Coca-Cola. It recently stepped up its drive for less male-oriented violence and more "family" programmes.

The discreet charms of the corporate jet

Time-sharing has allowed executives to justify the luxury of private air travel, writes Michael Skapinker

When Warren Buffett, the acclaimed international investor, bought a corporate jet in the late 1960s, he told a colleague that the cost of owning an aircraft seemed to multiply like bacteria. "He feels it's degrading to bacteria," Mr Buffett told his shareholders. He called his aircraft The Indefensible - a reference to the expense. Within a few years he had renamed it The Indispensable.

needed more persuasion. By the 1980s, business jets had come to epitomise corporate greed, and many chief executives found it difficult to justify them to shareholders and staff. This hit corporate aircraft sales, which slowed to between 200 and 250 units a year. Manufacturers, sensing the mood, adjusted their sales pitch. When Boeing launched a corporate jet version of its 737 in 1986, it told potential buyers they could slip into airports unnoticed. The 737 passenger jet was already the world's best-selling aircraft. "There are so many around, people will just say, 'Oh, there's another 737,'" a Boeing executive said. So you could own a jet and keep a low profile.

of chief pilots and business aircraft passengers showed that only 14 per cent of those on board were top executives. The rest were second-tier executives and middle managers. Last year, the association recorded some success. New jet sales rose almost 50 per cent to 357, mostly as a result of the phenomenon of "fractional ownership". Conceived in 1986 by Richard Santulli, a former US college mathematics professor and Goldman Sachs employee, it allows companies to share corporate jets. Instead of spending \$22m buying a Falcon 2000, for example, a company can buy a one-eighth share in the aircraft for \$2.8m. The buyer pays Executive Jet, Mr Santulli's company, a monthly management fee and a further sum for the number of hours flown. The buyer has to share the aircraft with other owners, but can still fly at a few hours' notice. If the jet is

being used, Executive Jet, which operates the Net Jet service, supplies one just like it. Four years ago, Mr Buffett became one of Mr Santulli's customers. He was so impressed he bought the company last year for \$725m. Executive Jet is now the world's largest buyer of corporate jets. It has ordered 500 new aircraft, worth more than \$8.5bn, since 1996. Kevin Russell, Executive Jet senior vice president, estimates his company has accounted for over a third of all business jet purchases over the past three years. Fractional ownership means companies do not have to worry about maintenance, which can ground a jet for up to 10 weeks a year. And while Concorde might be cheaper, fractional jet ownership better serves the needs of busy executives, Mr Russell argues. A group of Executive Jet bosses, including Mr Buffett, were in Europe earlier this month. They flew in an Executive Jet Gulfstream IV from

Omaha, Nebraska, Mr Buffett's base, to New Jersey. From there, they flew to London, where they had six meetings, then to Frankfurt for four meetings, Paris for seven and then back to Boston. The journey took three days. But while fractional ownership might have made companies keener on



Fueling efficiency: Once considered the epitome of greed, company jets are now seen as time-savers

investing in corporate aircraft, they are still embarrassed to talk about them. Celebrities like the golfers Tiger Woods and Ernie Els are fractional owners, as is tennis star Pete Sampras. But only 20 of Executive Jet's 1,300 corporate customers are prepared to be named. They include General Electric,

Gillette and Texaco. Michael Riegel, Flexjet's marketing vice-president, says the cost of corporate jet should be measured against what the executives cost the shareholders. "If you have an executive earning \$1m or \$2m a year, and you look at the return on getting them around this quickly, the cost is quite low," he says.

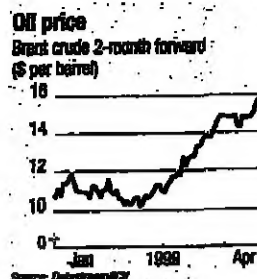
COMMODITIES & AGRICULTURE

Cocoa and sugar miss the rebound

WEEK IN THE MARKETS

By Paul Solman

Crude oil has pulled out of the mire and even base metals seem to have slowed their decline. But if these are the beginnings of a recovery in commodity prices, someone has forgotten to tell the softs.



LME warehouse stocks

Table with columns: Commodity, Warehouse, Stock level, Change.

Cocoa and sugar futures vied for the title of worst performer this week, with raws falling 10 per cent and London cocoa shedding 8 per cent.

Over-supply and booming exports from Brazil pushed July raw sugar to a new 12-year low on New York's Coffee, Sugar and Cocoa Exchange at 4.41 cents a pound in afternoon trading yesterday. The August white sugar contract dropped to a low of \$167 a tonne on the London International Financial Futures and Options Exchange.

Meanwhile, Life's May cocoa closed at \$95 a tonne, down 527 on the week, and July robusta coffee ended down \$36 at \$1.43 a tonne.

On London's oil market, Brent blend pushed through \$16 a barrel and has clocked a 45 per cent gain this year in late trading yesterday, it was \$16.04.

As fuel prices also rose, partly on the back of crude's gains and partly because of increased demand created by Nato's activities in Kosovo. The European spot price is about 28 per cent above its level a month ago but, more tellingly, its differential with gas oil prices has widened from the usual \$18-\$20 a tonne to \$25, analysts said.

On the metals markets, gold ignored last Sunday's Swiss referendum, in spite of predictions that the constitutional amendments approved would encourage the country to dispose of more of its gold stocks. The yellow metal firmed at \$283.90 an ounce yesterday afternoon, just 80 cents below last week's level.

Base metals traded quietly, though rumours of production cuts in copper continued. The London Metal Exchange's flagship three-month copper contract finished the week at \$1,549 a tonne compared with \$1,549 last week.

However, equity markets appear to have decided that commodities have bottomed, with exchanges in Australia, South Africa and Canada reporting growing interest in resource stocks.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, etc.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Commodity, Price, Change, High, Low.

WORLD BOND PRICES

Table showing world bond prices for various countries and maturities.

Precious Metals continued

GOLD COMEX (100 Troy oz. Sway)

Table with columns: Date, Price, Change, High, Low.

PLATINUM COMEX (50 Troy oz. Sway)

Table with columns: Date, Price, Change, High, Low.

PALLADIUM COMEX (50 Troy oz. Sway)

Table with columns: Date, Price, Change, High, Low.

SILVER COMEX (100 Troy oz. Sway)

Table with columns: Date, Price, Change, High, Low.

ENERGY

CRUDE OIL NYMEX (1,000 barrels, Sway)

Table with columns: Date, Price, Change, High, Low.

NATURAL GAS NYMEX (10,000 cu ft, Sway)

Table with columns: Date, Price, Change, High, Low.

GRAINS AND OIL SEEDS

WHEAT LIFE (100 bushels, Sway)

Table with columns: Date, Price, Change, High, Low.

SOYBEAN LIFE (100 bushels, Sway)

Table with columns: Date, Price, Change, High, Low.

BARLEY LIFE (100 bushels, Sway)

Table with columns: Date, Price, Change, High, Low.

SOYABEAN MEAL CBT (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

SOYABEAN OIL CBT (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

FRUGAL LIFE (100 bushels, Sway)

Table with columns: Date, Price, Change, High, Low.

SOFTS

COFFEE C (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

COFFEE F (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

COFFEE L (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

COFFEE M (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

COFFEE N (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

COFFEE O (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

HOGS CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

PORK BELT CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

CHICKEN CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

EGGS CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

WHEAT CME (40,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

PRECIOUS METALS

LONDON METAL EXCHANGE

Table with columns: Commodity, Price, Change, High, Low.

PRECIOUS METALS

LONDON METAL EXCHANGE

Table with columns: Commodity, Price, Change, High, Low.

PULP AND PAPER

PULP COMEX (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

PAPER COMEX (100,000 lbs, Sway)

Table with columns: Date, Price, Change, High, Low.

INDICES

FTSE 100

Table with columns: Date, Price, Change, High, Low.

DAX

Table with columns: Date, Price, Change, High, Low.

UK INDICES

FTSE 100

Table with columns: Date, Price, Change, High, Low.

DAX

Table with columns: Date, Price, Change, High, Low.

Markets see-saw over Kosovo

GOVERNMENT BONDS

Chernomyrdin's talks with Slobodan Milosevic of Yugoslavia helped pushed bond futures up slightly only to lose ground later. Comments by President Bill Clinton on Nato bombing of Kosovo moved the market, but soon gave way to other factors as a sell-off hit Wall Street and also gained ground in mid-day trading as US equities softened on hopes of a breakthrough in Kosovo.

Russian envoy Viktor

yield lower to 5.589 per cent. At the shorter-end the two-year note was unchanged at 5.69, yielding 5.628 per cent.

barring any expansion of Nato's war efforts in the near term.

Inflation figures for Europe in March published yesterday, exceeded expectations. German inflation, up from 0.4 per cent in March to 0.7 in April, is partly the result of a rise in an energy tax this month.

Gilts ended little changed after gross domestic product figures showing a 0.1 per cent rise quarter-on-quarter. Analysts said the figures are consistent with a soft landing.

UK gilt futures contracts settled at 116.89, down four ticks, on shallow trading. In the cash market the yield was 4.53 per cent. Bund futures settled at 115.66, up 0.10 ticks. In the cash market the yield was 3.82 per cent.

FTSE Actuaries Government Securities

Table with columns: Maturity, Price, Change, High, Low.

BENCHMARK GOVERNMENT BONDS

Table with columns: Maturity, Price, Change, High, Low.

US INTEREST RATES

Table with columns: Maturity, Rate, Change, High, Low.

BOND FUTURES AND OPTIONS

Table with columns: Maturity, Price, Change, High, Low.

UK GILTS PRICES

Table with columns: Maturity, Price, Change, High, Low.

UK

Table with columns: Maturity, Price, Change, High, Low.

GERMANY

Table with columns: Maturity, Price, Change, High, Low.

ITALY

Table with columns: Maturity, Price, Change, High, Low.

SPAIN

Table with columns: Maturity, Price, Change, High, Low.

US

Table with columns: Maturity, Price, Change, High, Low.

OTHER FIXED INTEREST

Table with columns: Maturity, Price, Change, High, Low.

UK

Table with columns: Maturity, Price, Change, High, Low.

GERMANY

Table with columns: Maturity, Price, Change, High, Low.

ITALY

Table with columns: Maturity, Price, Change, High, Low.

SPAIN

Table with columns: Maturity, Price, Change, High, Low.

US

Table with columns: Maturity, Price, Change, High, Low.

OTHER FIXED INTEREST

Table with columns: Maturity, Price, Change, High, Low.

Large advertisement for Balkan and FOREX on the right side of the page.

DATABANK

UNIT TRUSTS

Winners and losers

Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 1 YEAR' and 'BOTTOM FIVE OVER 1 YEAR'.

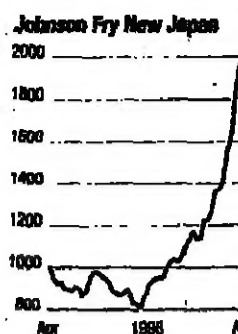


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 3 YEARS' and 'BOTTOM FIVE OVER 3 YEARS'.

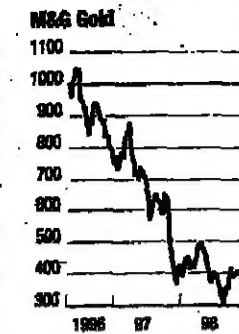


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 5 YEARS' and 'BOTTOM FIVE OVER 5 YEARS'.

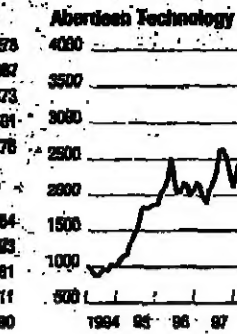
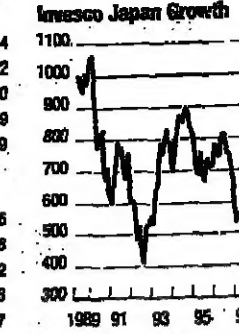


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 10 YEARS' and 'BOTTOM FIVE OVER 10 YEARS'.



Indices

Table with 2 columns: Index Name, Value. Includes Average Unit Trust, Average Investment Trust, etc.

UK Eq & Bd

Table with 2 columns: Index Name, Value. Includes Perpetual High Income, Castle Income etc.

Europe

Table with 2 columns: Index Name, Value. Includes TU European, Ranging German Growth etc.

Global Emerging Mkts

Table with 2 columns: Index Name, Value. Includes Gartmore PG Emerging Markets, Stewart Ivey Emerging Market etc.

International Equity Income

Table with 2 columns: Index Name, Value. Includes INSECO IT Interest Income, Premier Global 100 etc.

International Fixed Interest

Table with 2 columns: Index Name, Value. Includes Newton International Bond, Marlborough Managed etc.

International Equity & Bond

Table with 2 columns: Index Name, Value. Includes Bank of Ireland Ex Mgt Growth, Fleming Global Opportunities etc.

International Growth

Table with 2 columns: Index Name, Value. Includes Fidelity Managed International, Henderson Global Technology etc.

Best Peps

Table with 2 columns: Index Name, Value. Includes TU European, Eastern Capital Growth etc.

UK Growth

Table with 2 columns: Index Name, Value. Includes Jupiter UK Growth Exempt, Exter Capital Growth etc.

UK Fixed Interest

Table with 2 columns: Index Name, Value. Includes Aberdeen Sterling Bond, Morgan Gren MP Annuity Conv Ex etc.

UK Gilt

Table with 2 columns: Index Name, Value. Includes Fleming Select Long-dated Gilt, Fidelity Institutional Lg Gilt etc.

Far East excc Japan

Table with 2 columns: Index Name, Value. Includes Newton International Bond, Marlborough Managed etc.

Far East Inc Japan

Table with 2 columns: Index Name, Value. Includes Jupiter Far Easters, ABG Growth Greater China etc.

Japan

Table with 2 columns: Index Name, Value. Includes Balfie Gifford Japanese, Balfie Gifford Japan Sm Co etc.

UK Equity Income

Table with 2 columns: Index Name, Value. Includes Jupiter Income, Newton Higher Income etc.

UK Equity & Bond Income

Table with 2 columns: Index Name, Value. Includes CGU PFI High Yield, CIE UK Income etc.

Property

Table with 2 columns: Index Name, Value. Includes Aberdeen Property Shares, Always Residential Property etc.

UK Growth & Income

Table with 2 columns: Index Name, Value. Includes Fleming Select UK Income, Fidelity Moneybuilder Inc etc.

UK Smaller Companies

Table with 2 columns: Index Name, Value. Includes INSECO UK Small Cos Acc (GT), Henderson Exempt Cypriot etc.

UK Equity Income

Table with 2 columns: Index Name, Value. Includes Jupiter Income, Newton Higher Income etc.

UK Equity & Bond Income

Table with 2 columns: Index Name, Value. Includes CGU PFI High Yield, CIE UK Income etc.

Property

Table with 2 columns: Index Name, Value. Includes Aberdeen Property Shares, Always Residential Property etc.

North America

Table with 2 columns: Index Name, Value. Includes Fidelity American, Old Mutual North America etc.

Commodity & Energy

Table with 2 columns: Index Name, Value. Includes M&G Australasian Acc, M&G Commodity etc.

Investment Trust Units

Table with 2 columns: Index Name, Value. Includes Quilter High Inc Inv Trst Acc, Aberdeen Fund of IT Inc etc.

Fund of Funds

Table with 2 columns: Index Name, Value. Includes Fidelity Moneybuilder Plus, Family Fidelity Managed etc.

INVESTMENT TRUSTS

Winners and losers

Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 1 YEAR' and 'BOTTOM FIVE OVER 1 YEAR'.

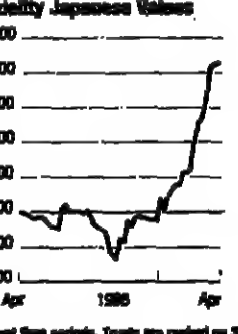


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 3 YEARS' and 'BOTTOM FIVE OVER 3 YEARS'.

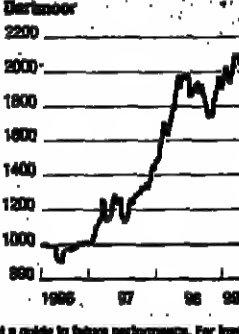


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 5 YEARS' and 'BOTTOM FIVE OVER 5 YEARS'.

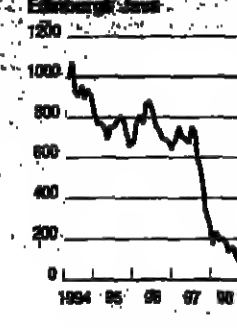
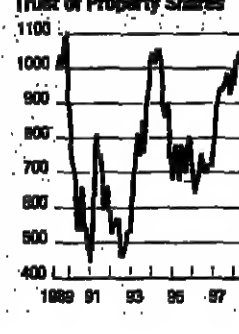


Table with 2 columns: Fund Name, Value. Includes 'TOP FIVE OVER 10 YEARS' and 'BOTTOM FIVE OVER 10 YEARS'.



Int General

Table with 2 columns: Index Name, Value. Includes Taurus, Personal Assets etc.

UK Inc Gth

Table with 2 columns: Index Name, Value. Includes Temple Bar, Merchants etc.

Japan

Table with 2 columns: Index Name, Value. Includes Martin Currie Japan, Schroder Japan Growth Fnd etc.

Far East Inc Japan

Table with 2 columns: Index Name, Value. Includes Henderson Far East Income, Martin Currie Pacific etc.

Far East excc Japan, General

Table with 2 columns: Index Name, Value. Includes Aberdeen Asian Smaller Co, Gartmore Far East Income etc.

Far East excc Japan, Single Country

Table with 2 columns: Index Name, Value. Includes Taiwan Investment, Australian Opportunities etc.

Emerging Markets

Table with 2 columns: Index Name, Value. Includes Baring Emerging Europe, Scotiabank Latin America etc.

Closed End Funds

Table with 2 columns: Index Name, Value. Includes Eastern Prudential Capital, Capital Growth etc.

UK General

Table with 2 columns: Index Name, Value. Includes Fleming Usherhouse, Liberty etc.

Int Capital Growth

Table with 2 columns: Index Name, Value. Includes Jupiter Prudential Growth, Global Asset Growth etc.

Smaller Cos UK

Table with 2 columns: Index Name, Value. Includes Jupiter Prudential Growth, Global Asset Growth etc.

High Income

Table with 2 columns: Index Name, Value. Includes Aberdeen High Income, Gartmore High Income etc.

Venture & Devt Cap

Table with 2 columns: Index Name, Value. Includes Graham House, Chester European etc.

North America

Table with 2 columns: Index Name, Value. Includes Fleming American, Edinburgh US Tracker etc.

UK Capital Growth

Table with 2 columns: Index Name, Value. Includes Key & Sme ISS, Investors Capital Growth etc.

Split - Capital

Table with 2 columns: Index Name, Value. Includes Jovis Cap, Framlington Dist Cap etc.

Split - Inc & Residual Cap Shares

Table with 2 columns: Index Name, Value. Includes Johnson Fry Utilities, Johnson Fry European Utilities etc.

Split - Income

Table with 2 columns: Index Name, Value. Includes Jovis Inc, Rights & Issues Inc etc.

Int Income Growth

Table with 2 columns: Index Name, Value. Includes British Assets, Fleming Worldwide Income Units etc.

UK General

Table with 2 columns: Index Name, Value. Includes Fleming Usherhouse, Liberty etc.

UK Equity Income

Table with 2 columns: Index Name, Value. Includes Jupiter Income, Newton Higher Income etc.

UK Equity & Bond Income

Table with 2 columns: Index Name, Value. Includes CGU PFI High Yield, CIE UK Income etc.

Property

Table with 2 columns: Index Name, Value. Includes Aberdeen Property Shares, Always Residential Property etc.

North America

Table with 2 columns: Index Name, Value. Includes Fidelity American, Old Mutual North America etc.

Commodity & Energy

Table with 2 columns: Index Name, Value. Includes M&G Australasian Acc, M&G Commodity etc.

Investment Trust Units

Table with 2 columns: Index Name, Value. Includes Quilter High Inc Inv Trst Acc, Aberdeen Fund of IT Inc etc.

Fund of Funds

Table with 2 columns: Index Name, Value. Includes Fidelity Moneybuilder Plus, Family Fidelity Managed etc.

Advertisement for Invesco with headline 'The Ides of March are passed - Hast thou moved thy PEPs to INVESCO?' and contact information.

JAVICO 1350

FT MANAGED FUNDS SERVICE

AUTHORISED INVESTMENT FUNDS - Unit Trusts and OEICs

Table listing various investment funds such as ABI Anglo Fund Managers Ltd, ABI Global Fund Managers Ltd, ABI Life Fund Managers Ltd, etc.

Table listing various investment funds such as Aberdeen Unit Trust Managers Ltd, Aberdeen Fund Managers Ltd, Aberdeen Life Fund Managers Ltd, etc.

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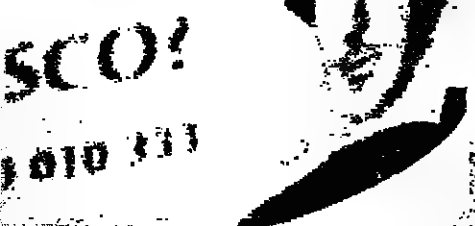
Table listing various investment funds such as Aberdeen Unit Trust Managers Ltd, Aberdeen Fund Managers Ltd, Aberdeen Life Fund Managers Ltd, etc.

OFEX FACILITY table listing various companies and their market prices, including Alcon, Alcon PLC, Alcon Technology, etc.

EASDAQ table listing various companies and their market prices, including Alcon, Alcon PLC, Alcon Technology, etc.

Main table listing various investment funds such as Aberdeen Unit Trust Managers Ltd, Aberdeen Fund Managers Ltd, Aberdeen Life Fund Managers Ltd, etc.

Guide to pricing of Authorised Investment Funds. Includes sections on Daily pricing, Bid-ask spreads, and other fund pricing details.



FT MANAGED FUNDS SERVICE

FT Managed Funds Service is available on the Internet. Call the FT Managed Funds Desk on (44 171) 878 4576 for more details.

Table of fund performance data including columns for fund name, manager, and various performance metrics.

Table of fund performance data, continuing from the previous table, listing various fund names and their associated metrics.

Table of fund performance data, continuing from the previous tables, listing fund names and performance details.

Table of fund performance data, continuing from the previous tables, listing fund names and performance details.

CANCER HITS 1 IN 3. GIVE YOUR WORKFORCE A CHANCE TO FIGHT BACK. It is a fact that one third of the people in the UK will get cancer at some point in their lives...

PROPERTY UNIT TRUSTS

Table listing various Property Unit Trusts with columns for fund name, manager, and performance data.

INSURANCES

Table listing various Insurance products and providers with columns for product name and details.

OTHER UK UNIT TRUSTS

Table listing various Other UK Unit Trusts with columns for fund name and performance data.

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Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Chimes List Prices are available over the telephone. Call the FT Chimes Help Desk on (44 171) 876 4376 for more details.

Main table containing financial data for various insurance and managed funds services, including company names, fund names, and numerical values.

Table titled 'Western Assurance Co Ltd' listing various insurance products and their associated values.

Table titled 'MANAGEMENT SERVICES' listing various management services and their associated values.

Table titled 'Money Market Trust Funds' listing various trust funds and their associated values.

Table titled 'Money Market Bank Accounts' listing various bank accounts and their associated values.

NOTES section containing detailed information and disclaimers regarding the data presented in the tables.

FT MANAGED FUNDS SERVICE

Offshore Funds

OFFSHORE AND OVERSEAS

BERMUDA (FSA RECOGNISED)

Table listing Bermudian funds including Paddy Curran Funds Ltd, Jersey Asset Management Ltd, and others.

BERMUDA (REGULATED)**

Table listing regulated Bermudian funds including Adams Investment Management Ltd, Blythwood Investment Management Ltd, and others.

CAYMAN ISLANDS (REGULATED)**

Table listing Cayman Islands funds including Adair & Co, Adair & Co, and others.

Table listing various international funds including Royal Bank of Canada, Royal Bank of Canada, and others.

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www.swissre.com
One of the insurance industry's key information resources on the Web. Available to everybody who wants to benefit from Swiss Re's global knowledge.
Swiss Re logo

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Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

FT Managed Funds Service provides a comprehensive list of offshore funds and insurance products. The table is organized into several columns, including:

- Country:** JERSEY (PSA REGULATED), LUXEMBOURG (PSA REGULATED), JERSEY (REGULATED), LUXEMBOURG (REGULATED), and SCOTLAND SA.
- Fund Name:** Various fund names such as "Jed Mutual Ltd FT Mgrs (Sub of Mgr) Ltd", "Merrill Lynch Asset Mgmt Channel Islands Ltd", "Lazard Asset Mgmt - Const", "Stratagem International Selection Fd - Const", "Sageport Colport S.A.", "Bourgeois Independent Fund", and "SCOTLAND SA".
- ISIN:** International Securities Identification Numbers for each fund.
- NAV:** Net Asset Value per share.
- YTD:** Year-to-date performance.
- 1M:** 1-month performance.
- 3M:** 3-month performance.
- 6M:** 6-month performance.
- 1Y:** 1-year performance.
- 3Y:** 3-year performance.
- 5Y:** 5-year performance.
- 10Y:** 10-year performance.
- 20Y:** 20-year performance.
- 30Y:** 30-year performance.
- 40Y:** 40-year performance.
- 50Y:** 50-year performance.
- 60Y:** 60-year performance.
- 70Y:** 70-year performance.
- 80Y:** 80-year performance.
- 90Y:** 90-year performance.
- 100Y:** 100-year performance.

The table contains numerous entries, each with its own set of performance metrics and regulatory information. The data is presented in a dense, multi-column format typical of financial market listings.

offering of full of ms. agri- to her vas r of sly and ion- or- ad- are or- m- to mly- m at m



LONDON SHARE SERVICE

TOP TRUSTS SPLIT CAPITAL - Continued

Table with columns for Trust Name, Shares, and Price. Includes entries like 'The British Trust for Ornithology'.

Mining - Continued

Table listing mining companies and their share prices.

Oil & Gas

Table listing oil and gas companies and their share prices.

REAL ESTATE - Continued

Table listing real estate companies and their share prices.

SPECIALITY & OTHER FINANCE - Continued

Table listing speciality and other finance companies and their share prices.

TRANSPORT - Continued

Table listing transport companies and their share prices.

AIM - Continued

Table listing companies on the Alternative Investment Market (AIM).

LEISURE, ENTERTAINMENT & HOTELS

Table listing leisure, entertainment, and hotel companies and their share prices.

PACKAGING

Table listing packaging companies and their share prices.

RESTAURANTS, PUBS & BREWERIES

Table listing restaurant, pub, and brewery companies and their share prices.

REAL ESTATE - Continued

Table listing real estate companies and their share prices.

SUPPORT SERVICES

Table listing support services companies and their share prices.

WATER

Table listing water companies and their share prices.

AMERICANS

Table listing American companies and their share prices.

LIFE ASSURANCE

Table listing life assurance companies and their share prices.

PERSONAL CARE & HOUSEHOLD PRODUCTS

Table listing personal care and household product companies and their share prices.

PHARMACEUTICALS

Table listing pharmaceutical companies and their share prices.

SOFTWARE & COMPUTER SERVICES

Table listing software and computer service companies and their share prices.

TELECOMMUNICATIONS SERVICES

Table listing telecommunications service companies and their share prices.

AMERICANS

Table listing American companies and their share prices.

AMERICANS

Table listing American companies and their share prices.

REAL ESTATE

Table listing real estate companies and their share prices.

REAL ESTATE

Table listing real estate companies and their share prices.

REAL ESTATE

Table listing real estate companies and their share prices.

SPECIALITY & OTHER FINANCE

Table listing speciality and other finance companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

Advertisement for Interactive Investor website. Text: 'If only this page could be updated now. Our pages just have been. Interactive Investor is a free website devoted to making the most up-to-date financial information available to you. One visit could make all the difference to your portfolio. www.iii.co.uk'.

TRADED INDEX SECURITIES

Table listing traded index securities.

AIM

Alternative Investment Market

The Alternative Investment Market, designed primarily for small companies, is regulated by the London Stock Exchange but not the Financial Services Authority.

GUIDE TO LONDON SHARE SERVICE

Prices and listing updates for the London Share Service are delivered by email. Company information is based on data used for the FT100. Share prices are shown in pence unless otherwise stated. For FT100 share prices and returns, see the FT100 index page. For more information on the London Share Service, visit our website at www.ft.com.

FT Free Annual Reports Club

For an extra 50p you can receive a copy of the annual report of any company included in the FT100. For more information, visit our website at www.ft.com.

FT Cityline

Up-to-the-minute share prices are available by telephone from the FT Cityline service. See Monday's share price page for details. Calls are charged at 10p per minute at all times.

The FT web site

London share prices are available throughout the trading day with a 20 minute delay from our web site, www.ft.com, which also has the closing share prices printed on these pages.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Apr 23 / US\$)

(in \$ bn)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

CANADA (Apr 23 / Can \$)

(in \$ bn)

Table of Canadian stock market data including TSX 300 and various sector indices.

MEXICO (Apr 23 / Mex \$)

(in \$ bn)

Table of Mexican stock market data including IPC and various sector indices.

BRAZIL (Apr 23 / Real)

(in Real bn)

Table of Brazilian stock market data including Ibovespa and various sector indices.

ARGENTINA (Apr 23 / Pesos)

(in Pesos bn)

Table of Argentine stock market data including Merval and various sector indices.

EUROPE (NON-EMU)

(in local currency bn)

Table of European stock market data for non-EMU countries including UK, France, Germany, and others.

EUROPE (EMU)

(in local currency bn)

Table of European stock market data for EMU countries including Italy, Spain, Greece, and others.

AFRICA

(in local currency bn)

Table of African stock market data including South Africa, Egypt, and others.

ASIA

(in local currency bn)

Table of Asian stock market data including Japan, Hong Kong, and others.

Advertisement for Rockwell Automation featuring a KitKat chocolate bar and the text 'Rockwell Automation ensures the efficient production of Nestle's delicious chocolate products.'

INDICES

Table of various global indices including Nikkei, Hang Seng, and others.

US INDICES

Table of US market indices including S&P 500, Dow Jones, and others.

AFRICA

Table of African market indices including JSE, EGX, and others.

ASIA

Table of Asian market indices including Nikkei, Hang Seng, and others.

EUROPE

Table of European market indices including FTSE, DAX, and others.

AMERICAS

Table of American market indices including NYSE, NYSE Composite, and others.

COMMODITIES

Table of commodity prices including oil, gold, and various metals.

CURRENCY

Table of currency exchange rates for various global currencies.

INDEX FUTURES

Table of index futures prices for various markets.

US STOCKS

Table of US stock prices for major companies.

EUROPEAN STOCKS

Table of European stock prices for major companies.

ASIAN STOCKS

Table of Asian stock prices for major companies.

AFRICAN STOCKS

Table of African stock prices for major companies.

AMERICAN STOCKS

Table of American stock prices for major companies.

COMMODITIES

Table of commodity prices for various goods.

CURRENCY

Table of currency exchange rates.

T&T bid its cable target 10%

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WORLD STOCK MARKETS

AT&T bid lifts cable target 10%

AMERICAS

All eyes were on the telecom market in early trading on Wall Street following AT&T's \$56bn unsolicited bid for cable company MediaOne, writes John Lubin in New York.

The takeover bid came after the market closed on Thursday and set off a storm of speculation yesterday as to how any of the three parties involved would respond.

After a strong rise on Thursday, AT&T shares tumbled in early trading on Wall Street following AT&T's \$56bn unsolicited bid for cable company MediaOne, writes John Lubin in New York.

EUROPE

Most European markets retreated yesterday, with Helsinki showing the sharpest drop. Trading was dominated by a recovery in telecoms, while the planned Italia-Deutsche Telekom merger ran into political difficulties.

The FTSE 100 index, which covers leading companies in the euro-zone, closed 4.23 or 0.4 per cent lower at 1,657.28. The FTSE Europe 100, covering countries inside and outside of monetary union, slid 2.94 to 2,984.02 while the broader FTSE Europe 300 settled 1.92 lower at 1,296.51.

PARIS succumbed to profit-taking, with the CAC-40 23.42 or 0.7 per cent lower to 4,324.43 at the end of a quiet day.

ASIA PACIFIC

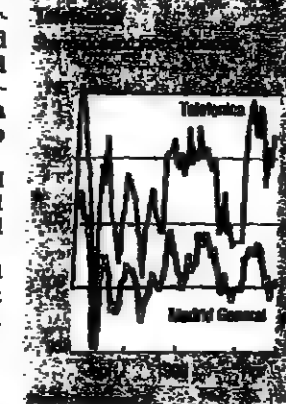
Shares in TOKYO yesterday surged to their highest level in almost 13 months, as technology issues were boosted by the strong performance of the Nikkei index in the US.

The Nikkei 225 Average rose 1.54 per cent to 257.37 to close at 16,523.53, its high for the day. The weighted Nikkei 300 index rose 1.68 per cent to 2,873.31, while the broader Topix index climbed 1.8 per cent to 3,108.

THE WEEK'S CHANGES

Table with columns: Market, % change. Includes Kuala Lumpur (+7.8), Singapore (+6.6), Hong Kong (+3.3), Jakarta (+2.9), Taipei (+2.0), Tokyo (+1.3), Bombay (+0.5).

Securities rose 3 per cent despite negative earnings announcements from leading brokers. Daiwa Securities led the gainers, up 11.5 per cent.



SMI index performance from 1997 to 1999.

MURICH

gains to close lower with the SMI index down 24.0 at 7,345.3.

Novartis continued on a downward track in the aftermath of Wednesday's lower-than-expected first-quarter figures.

MILAN

was lower as concerns about the war in Kosovo and slow economic growth kept a brake on the market.

Telemontedue's high-flier, UBS, continued to draw strength from its solid 21 per cent rise in first-quarter results.

HELSINKI

ended with a 4.1 per cent rise to 6,844.01 on the Hex index.

Nokia, weighted heavily on the index, shed 0.15 or 4.1 per cent to 674 after a rise of almost 9 per cent on Thursday.

FTSE Actuaries Share Indices

Table with columns: Index Name, Value, % change, etc. Includes FTSE 100, FTSE 250, FTSE 350, etc.

Tokyo lifted to 13-month high

higher to 7,305.8, helped by overnight gains on Wall Street and buying orders across the board following the rise in securities stocks.

Analysts said falling interest rates ensured that warrants, bank stocks and construction issues would remain attractive.

JAKARTA ran out of steam as an early rally hit by overseas gains was stubbed out by a plunge in cigarette stocks.

Banking shares, however, dominated volume charts, ahead of an announcement by the central bank of progress in the government-led bank recapitalisation scheme.

Anglo dominates Jo'burg

up by a R17.20 rise in Anglo to R283. Restorers rose R14.4 to R279.3 but golds gave up 2.6 to R58.4.

SOUTH AFRICA

Johnannesburg was mixed after another session dominated by trade in Anglo American ahead of its listing in London next month.

The overall index closed 0.7 higher at 6,783.2, driven by a R17.20 rise in Anglo to R283.

LONDON STOCK EXCHANGE - DEALINGS

Large table listing various stock deals on the London Stock Exchange, including company names, share counts, and prices.

Handwritten signature or mark at the bottom of the page.

COMPANIES & FINANCE

NEWS DIGEST

OIL & GAS

BP executive appointed chairman of Sidanco

A senior executive from BP Amoco was yesterday elected chairman of Sidanco, the insolvent Russian oil company in which the British oil group has a 10 per cent stake. The unanimous election of Norris Stanley, a BP Amoco vice president, as chairman, along with a new board of directors, was described as "an important first step" in restructuring and recapitalising Sidanco. Last month BP Amoco wrote off \$200m of its \$484m investment in Sidanco. BP Amoco said it would not put any fresh capital into Sidanco unless a restructuring plan is approved by shareholders, creditors, and the Russian federal and regional authorities. Robert Corzine

Premier to lose 4% of production

Premier Oil, the exploration and production company, will lose about 4 per cent of its forecast production this year as a result of repairs to a floating vessel. Amerada Hess announced that its Ugie Gorm production storage and off-loading vessel is to be removed from the Fife Fergus and Flora fields in the North Sea for about four months. Premier said it would lose production of about 1,400 barrels a day as a result.

HOUSEHOLD GOODS & TEXTILES

Dawson to take £600,000 charge

Dawson International, the Scottish textile group that made a heavy loss last year, is to take a \$800,000 charge for reorganisation and staff cuts at JE Morgan, its thermal underwear offshoot in the US. The group said the changes would enable JE Morgan to generate profits and cash, even in the event of another warm winter, by moving 70 per cent of its production to central America. But the subsidiary is still among the non-core businesses that Dawson intends to sell. The shares fell 2 1/2p to 18p. James Buxton

PHARMACEUTICALS

SB in US diabetes drug move

Bristol-Myers Squibb is to co-promote SmithKline Beecham's diabetes drug, Avandia, in the US in a move that should broaden SmithKline's access to the all-important American market. Avandia, which was approved on Thursday by a US Food & Drug Administration advisory panel, has big sales potential, particularly since the FDA believes it is safer than its main competitor - Rezulin, made by Warner-Lambert. Victoria Griffith in Boston

PRIVATE EQUITY

Alchamy secures Goldsmiths stake

Alchamy, the private equity group backing a recommended management buy-out offer for Goldsmiths Jewellery group, has secured only 34.1 per cent of the shares so far. It said yesterday it had purchased 4.2 per cent of Goldsmiths' stock which pushed its holding through the 29.9 per cent level and forced it to launch a mandatory offer for the rest of the group. Director Kleinwort Benson, adviser to Alchamy, is preparing the offer document.

ENGINEERING

United sells three Neepsend units

United Industries, the engineering group, is to sell three businesses to their management for £2.6m. Clntride, Neepsend Tools and Neepsend Scotland are non-core businesses acquired as part of the Neepsend group in 1997. Further acquisitions are now expected.

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PROPERTY MANAGEMENT FUND MANAGER ENTERS THE FRAY IN COMPETITION WITH DELANCEY

MAM prepares to back bid for Greycost

By Norris Cohen, Property Correspondent

Mercury Asset Management, the fund manager, is preparing to back a bid for Greycost that would include the management of the property group.

Greycost is already facing a hostile all-paper takeover bid worth £216m from its smaller rival, Delancey Estates. The offer, launched last month, prompted Greycost to announce that its directors had already decided to put it up for sale, and that it would hold a tender to attract the highest bidder.

It is understood that the MAM bid is being backed by the fund manager's private equity division, which is an investor alongside Greycost and Hermes, the pension fund management company, in the former NatWest Tower, now known as Tower 42.

It is expected that the existing executive directors would have a relatively small equity stake, rising if specified performance targets are met. Additional financing for the transaction could be raised by Merrill Lynch International, MAM's parent company, which has a significant corporate property financing team. Delancey and related members of its concert party

have acquired roughly 10.2 per cent of Greycost, at an average share price of 168p. At Delancey's closing share price last night of 100p, up 1/2p, its offer was worth 300p a share. Greycost's shares closed down 1/2p at 230p.

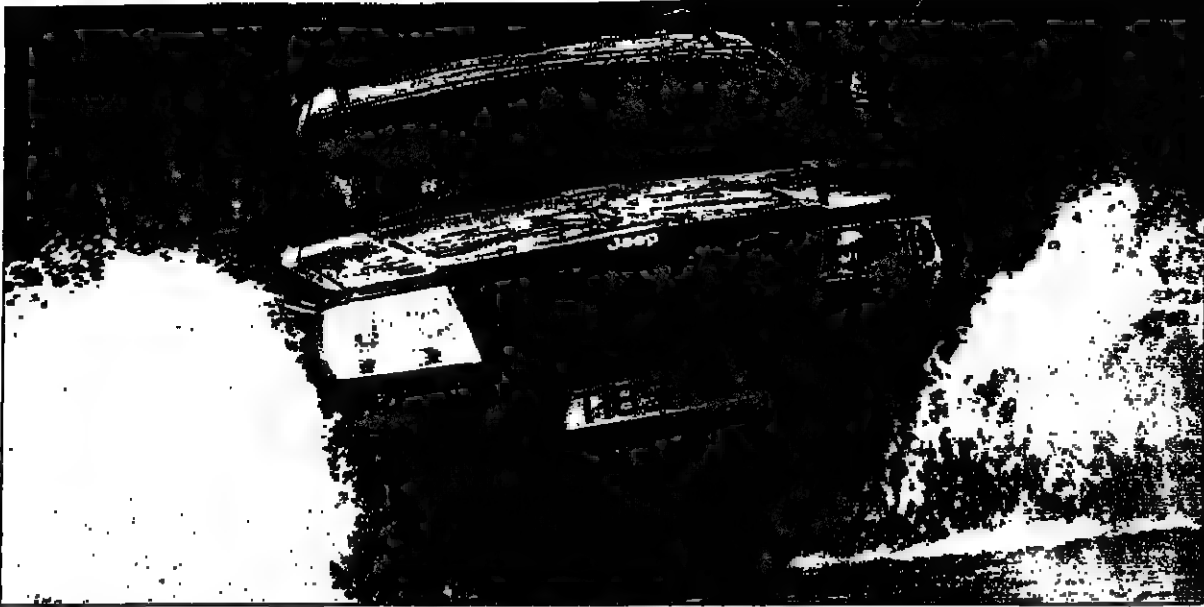
Delancey has yet to produce its report and accounts for its fiscal year to March 31 1999, leaving shareholders unable to evaluate its offer. Analysts had speculated that the Delancey offer was intended to spark a bidding war for its own sake.

At 280p, just below Greycost's current net asset value, Delancey's stake, which it acquired for roughly £13.1m, is worth £21.9m.

However, according to Delancey's listing particulars, much of that gain would be wiped out by the costs of the bid. "The expenses of the offer and the issue of the new

Delancey shares, including registration and listing fees, accounting fees and expenses, are estimated to amount to about £5.5m (excluding VAT)," the document says.

Greycost has said that bids will be considered by its non-executive directors and its adviser, NM Rothschild, in order to avoid the suggestion that its executives had backed a bid favourable to themselves.



The 1999 Jeep Grand Cherokee, one of DaimlerChrysler's range of vehicles

DaimlerChrysler blow to Incheape

By Susanna Voyle

Incheape, the former trading company that is transforming itself into a motor distributor, yesterday said it would lose DaimlerChrysler's business from the end of the year.

The news came at the end of a week in which the group had announced a £30m cash handout for shareholders - marking the symbolic end to the restructuring of one of the oldest names in the City. The agreement with DaimlerChrysler covered import and distribution activities for the Chrysler

and Jeep brands, which have been a growth area for Incheape. The group had held the business for seven years. Its shares yesterday fell 6 1/2p to 151 1/2p.

Incheape said the agreement represented less than 4 per cent of operating profit. However, the decision by DaimlerChrysler - created in a merger of the German and US vehicle manufacturers last year - underlines the possible risks to distributors from global consolidation in the industry. DaimlerChrysler said the move was part of its strategic development in Europe

after the merger. It now had the necessary infrastructure and impetus to take import and distribution activities in-house.

Incheape admitted that the timing of the announcement was unfortunate, coming as it approached the end of its transformation. However, it insisted that the agreement with DaimlerChrysler was "fairly small in the scheme of things". At the end of 1998 Incheape had £20m of net assets tied up in the business, the majority of which were vehicles and parts. At the end of this year Daimler-

Chrysler will buy back any remaining stock of vehicles and parts at net asset value. Incheape has sold five businesses, and the disposal of the sixth is expected before the end of June. On Monday the group announced that it expected to be able to send a circular to shareholders with details of the planned 100p-a-share pay-out once the biggest disposal - the £75m (348m) sale of its Children's clothing operation - was complete.

Analysts said that the announcement was a blow but did not undermine the group's strategy.

BICC investor seeks Wassall meeting

By Susanna Voyle

A leading institutional shareholder in BICC has written to the underperforming cables and construction group asking it to hold talks with Wassall, the listed venture capital group, which has said it may bid £746m for the business.

Alan Jones, chief executive of BICC, said he would meet the shareholder on Monday to explain why the potential 125p-a-share cash offer from Wassall should be rejected without further talks.

He plans a series of meetings with institutions and said he was confident his side of the argument - based on his strategy to improve the underperforming business - would be accepted. Wassall, which on Thursday received a "put up or shut up" ultimatum from the Takeover Panel, yesterday kept its foot in the door as the 1pm deadline laid down by the panel for it to formally table a bid passed. It put out a statement agreeing not to make another offer within 12 months unless it gained BICC board backing.

The group, which had said it would not launch a hostile bid, failed to persuade the panel that it should be allowed formally to table an offer that would have been subject to two conditions - lapsing if BICC's proposed sale of its energy cables business went ahead or if Wassall failed to gain board backing for its bid by day 81 of the bid process.

Chris Miller, Wassall's chief executive, hopes institutional shareholders will put pressure on BICC to open talks. He wants them to vote down the £276m sale

of the cables business to General Cable Corporation of the US at the BICC extraordinary meeting called for May 4.

People close to the group said the fate of the battle now rested with shareholders, who could also vote to adjourn the offer to allow talks to take place between the BICC board and Wassall. BICC yesterday said it would be prepared to open talks only if Wassall made an offer significantly higher than 126p. Wassall has built up a 9.3 per cent stake in BICC at a cost of £34m.

Role of the City gent called into question

Susanna Voyle and Caroline Daniel look at two decisions by the Takeover Panel

Two decisions this week by the Takeover Panel have focused City attention on the UK takeover regulator, which eschews the statutory approach adopted in many other countries in favour of gentlemanly hints and persuasion.

The rulings by the panel, under Patrick Drayton, the recently-appointed director general, on Michael Ashcroft's bid Corporate Services Group and Wassall's approaches to BICC have led some City advisers to question the consistency of its decision-making.

Both cases hinge on conditions that the bidders wanted to put in their offers. Mr Ashcroft, the entrepreneur and Conservative party treasurer, understood that the Panel would allow him to launch a bid of up to £282m provided that directors at CSG, the recruitment company, were not removed. When some directors were forced to leave after shareholder pressure, Mr Ashcroft tried to withdraw his bid, but was told that the

changes to the board were not "sufficiently material to justify invoking the condition". As a result he has been obliged to proceed. Wassall, the quoted venture capital group, wanted to make a £746m bid for BICC, the cables and construction business, with the conditions that the planned sale of the cables business was halted and that the management agreed the bid by day 81 of the timetable.

The Panel rejected this unusual idea. Effectively, Wassall was suggesting a hybrid bid, neither recommended nor hostile.

People close to Wassall say the group feels the Panel may have, by its ruling, deprived shareholders of the right to decide on the offer. "The Panel is standing in the way of an offer that could have been put in front of shareholders," they say. "The group is now dependent on institutional shareholders putting pressure on the BICC board to meet Wassall. Advisers believe the Panel

is wary of possible litigation. "When I started in the City the takeover code was a thin book, because the spirit of it carried more clout than the letter," said one adviser connected to the CSG deal. "Now all of the spirit has to be written down, which means lawyers get to play around with it. These days you don't get such robust views from the panel."

The Panel relies on building consensus. Two case officers are appointed to each offer reporting to the director general, a City figure seconded to the role for up to two years. "Final decisions are always reached collectively," says an insider. One City lawyer said the Panel was especially sensitive to conditions which it felt were open to too much subjective interpretation and which might give the bidder too much control.

The Panel admits the question of objectivity is crucial. "If a company puts a condition in an offer it should be objective and not subjective, or dependent on the judg-

ment of the hiding company," another insider explained. New Carlisle, Mr Ashcroft's vehicle for the bid, has said it will not appeal against the Panel's decision. In practice, it has other options that would enable it to lapse its bid. It could, for example, choose not to raise the terms of the offer, and demand a 90 per cent level of acceptances from shareholders within the 21-day offer period. According to a takeover lawyer from Clifford Chance, this is a more typical way of letting a bid lapse, rather than by invoking conditions.

The Panel insisted yesterday that it was wrong to link the CSG and Wassall cases. "They are completely separate issues," it said. However, Panel officials, already under pressure from European moves for statutory regulation, must be acutely aware that any loss of confidence in the quality of its rulings in the City would weaken its position further.

Company	Share Price	Dividends	Current	Date of	Dividends	Total	Total	
	(p)	(p)	payment (p)	payment	declared	for year	for year	
Brent Ltd	128.4	(134)	9.28	(8.28)	18.6	(8.8)	2.4	3.5
Donalson Energy	0.62	(0.14)	0.267	(0.26)	0.14	(0.18)	2.4	3.5
First (Joseph)	20.9	(20.8)	7.51	(8.22)	209.7	(214.5)	54	69
Interwrappe Tech	2.75	(2.78)	0.354	(0.37)	5.61	(5.71)	1.1	0.7
Park Ests (L'pool)	1.1	(1.1)	0.474	(0.507)	13.93	(15.57)	7	10.25
Queensborough	42.2	(38.8)	0.468	(0.6)	0.62	(2.58)	0.3	0.45
World Telecom	27.2	(26.2)	9.39	(2.91)	38.74	(14.7)		

Company	Share Price	Dividends	Current	Date of	Dividends	Total	Total	
	(p)	(p)	payment (p)	payment	declared	for year	for year	
Investment Trusts								
Baronhams VGT	93.71	(105.4)	0.167	(0.325)	0.77	(1.58)	1	2.76
Jupiter European	167.23	(147.4)	0.384	(0.775)	0.51	(0.76)	7	2.76
Shires Smaller Cos	196.8	(77.5)	0.405	(0.102)	2.06	(0.53)	1.45	6.4

Share prices shown last. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. *After exceptional credit. †In increased capital. *Comparative residual. †In stock. *Foreign income dividend 4/4 August 31.

Lamentation marks Barclays annual meeting

By George Graham, Banking Editor

The sound of lamentation spread over the Queen Elizabeth II conference centre yesterday, as Barclays shareholders gathered to mourn their bank's loss of two chief executives in quick succession and - in the eyes of some - its loss of status as a first-division bank.

"Where we were the number one bank, we are now on the back foot to defend ourselves," complained Bonner Thomas, at yesterday's annual meeting. "I'm appalled to be a shareholder of Barclays Bank. We are now descended to a small provincial bank," grumbled another shareholder.

The complaints and criticisms were a sad send-off to Andrew Buxton, presiding for the last time after six years as chairman. But Barclays' upheavals were evident even on the ballot papers for the meeting, which still proposed the election of Michael O'Neill, a former Bank of America executive, had been due to take over early this month as chief executive, filling a four-month gap since the sudden resignation of Martin Taylor. But Mr O'Neill had

to pull out last week after developing a heart condition. Mr Buxton, however, defended the bank's performance: "The business is performing well. I believe the business is very much on the front foot," he said.

Another shareholder suggested that Barclays might do better to merge with Royal Bank of Scotland. Mr Buxton replied that the board would consider proposals, but only if they were consistent with the group's strategy and good for shareholders. "We are not taking our eye off the main task, which is to create value for you as shareholders."

He reassured shareholders that Sir Peter Middleton, who took over after the meeting as chairman and remains as temporary chief executive until the bank can find another candidate, was "very active", though five years older than himself. Sir Peter has returned to Barclays after a brief retirement last summer. His reputation has remained unscathed in shareholders' eyes by his stint as vice-chairman and then chairman of BZW and Barclays Capital, the group's investment banking operations and the source of most of its troubles in the past two years.

First Leisure and Cannons in talks

By Charles Fretwell and Soheerazade Daneshkhu

Cannons Group and First Leisure are in talks about merging their health and fitness businesses in a deal that would create the largest group of its kind in the UK.

The talks are understood to be at an advanced stage. The deal under discussion is structured as an all-paper transaction but it is unclear which group's shareholders would have the upper hand. It is understood that First Leisure would retain its other leisure interests, which include nightclubs and tannin bowling alleys.

The combined group would have more clubs than David Lloyd Leisure, the health and fitness business owned by Whitbread, but they would each have about the same number of members. Whitbread's David Lloyd and Curzon clubs had 100,000 members last year, according to brokers Granville, and 29 clubs.

First Leisure/Cannons have 60,000 members each and about 40 clubs between them. First Leisure declined to comment but in January it said it was in exploratory talks with a number of third parties about a range of strategic initiatives. The £1bn health and fitness business has been one of the fastest-growing areas in the leisure sector and the stock market has been happy to pour money into the sector. Operators such as Holmes Place, Fitness First and Dragons Health Clubs have all floated within the past two years.

The sector is dominated by a proliferation of relatively small operators with the top 11 operators accounting for just 7 per cent of the market, according to Granville Equity Research. Shares in Cannons rose 2p to 196 1/2p yesterday, valuing it at £267m. First Leisure shares were unchanged at 250p, valuing it at £413m.

B&B likely to win conversion vote

By Christopher Brown-Hume

It could be curtains for carpetbaggers on Monday as the Bradford & Bingley, the second-largest building society, is expected to announce it has seen off an attempt to force it to convert to a bank. That would mean hundreds of thousands of people voting to turn their backs on windfalls of about £1,000 each.

It would be the latest setback for carpetbaggers - speculators who join societies hoping for a conversion windfall - and possibly a fatal one. Nationwide, the biggest society, has twice seen off attempts to force it to convert to a bank, and yesterday announced it would not be facing a third challenge this year. Moreover, Michael Hardern, the self-styled carpet-bagger-in-chief, has all but thrown in the towel. He has withdrawn from board elections for Britannia building society, while Nationwide has rejected his latest attempt to stand for its board. John Wriglesworth, a building society analyst, said: "If B&B wins its vote easily, it is the end of carpet-bagging. It is dead. It is no more." David Anderson, chief executive of Yorkshire Building Society, says: "If B&B win, it will be a turning point." "Carpetbagging" dates back to the American civil war when Yankees moved into the southern states to make money out of post-war hardship. More than 100 years later - in 1995 - Peter Robinson, a former chief executive of Woolwich, applied the term to building society speculators. More than 1.5m B&B members have voted - a 60 per cent turnout. This has led many observers to conclude that "loyalists" have probably swamped the carpetbaggers.

سكانة الامم

COMPANIES & FINANCE

JAPAN DOMESTIC PROPERTY LOAN WRITE-OFFS HIT BROKERAGES

Nomura Securities falls into the red

By Gillian Triggs in Tokyo
Nomura Securities, Japan's largest broker, yesterday posted a ¥97bn (\$3.32bn) group net loss due to large write-offs of domestic real estate loans and trading losses in overseas markets.

economic recession in Japan. The poor results come at a particularly critical time, since the financial sector is undergoing a wave of restructuring. This is partly because Japanese companies are increasingly losing market share in their domestic markets to western competitors.

Kellogg fails to convince investors

Shares in Kellogg, the US cereal producer, fell yesterday morning, as investors remained ambivalent about the likely success of its turnaround efforts in the face of a 30 per cent drop in first-quarter profits, to \$118.5m.

Telecoms marriage faces a compatibility test

Deutsche Telekom and Telecom Italia chiefs have dominating personalities, write Ralph Atkins and Paul Betts

Franco Bernabe offered his hand, hesitated, then cautiously put his other arm around Ron Sommer's shoulder. It was neither a firm German handshake, nor an effusive Italian hug.



Franco Bernabe (left) and Ron Sommer will have to show they can work together

The awkward embrace this week by the ambitious, bespectacled chief executives of Deutsche Telekom and Deutsche Telekom was telling. The European telecommunications giants' proposed merger, announced in London, attempts to reconcile not just Roman and Teutonic business cultures.

unolicited offer in the worst interest of his shareholders and company. Six years ago Mr Bernabe was put in charge of Eni, the state oil group. It was then a corrupt and bloated loss-making company. He cleaned it up, organised its privatisation and refocused it on its core oil and gas business.

with Deutsche Telekom. The deal may never take off. But many people who know the deceptively mild mannered Mr Bernabe suggested that the Deutsche Telekom merger is possibly yet another gambit in his match against Olivetti.

Mr Bernabe can be similarly inscrutable. In January, barely five weeks into his new job and a month before Olivetti launched his hostile bid, Mr Bernabe, 50, was saying big mergers and alliances between large European state or former state-owned telephone monopolies made little sense.

He seemed the perfect candidate to sort out Telecom Italia. Its privatisation two years ago was ill conceived. In that period, the company went through a succession of top management upheavals with four different chairmen. Morale was at rock bottom and the company was facing aggressive competition.

But he was knocked once again when his own shareholders this month deserted the extraordinary meeting called to approve the plan. Most chief executives would have probably considered resigning. Not Mr Bernabe. A few days later his contingency plan emerged: the proposed blockbuster merger

Like Mr Sommer he defends the logic of the Deutsche Telekom/Telecom Italia deal. But he has lived up to his reputation as a tough, determined manager prepared to take on his country's political establishment to defend his company from what he considered was an

with Deutsche Telekom. The deal may never take off. But many people who know the deceptively mild mannered Mr Bernabe suggested that the Deutsche Telekom merger is possibly yet another gambit in his match against Olivetti.

Should the Deutsche Telekom deal succeed, many familiar with Mr Bernabe's style find it difficult to see how he can share power for long with Mr Sommer, whose relentless drive means he is tipped as the most likely survivor. For Mr Bernabe it is not an immediate issue. He may anyway be plotting, not the next, but probably three or four surprises ahead.

Mr Sommer was born in Israel but studied mathematics in Vienna, gaining special exemption to obtain his doctorate at the unusually young age of 23. His specialist subject was probability, which perhaps explains his multi-level, international business strategy.

Mr Bernabe is a chess player and student of military strategy, organised his defences against Olivetti: a large share buy-back; the conversion of his company's non-voting shares into voting stock; a €2.5bn offer for the 40 per cent minority in the company's highly successful TIM cellular telephone unit.

However, analysts remain cautious, having seen a succession of very weak quarters and a widespread management shake-up. Kellogg has seen its US market share slide over the past decade, from more than 40 per cent to about 32 per cent, while the breakfast cereal market itself has shrunk.

The deal faces regulatory complications, disapproving financial markets, deep resentment from France Telecom, misgivings in the Rome government and an existing bid for Telecom Italia from Olivetti, the rival Italian telecoms group.

Mr Sommer has moved from Sony Europe, Deutsche Telekom has changed from a state-owned

Mr Sommer's independent decision to step down until the new board next week can take a decision was sparked by a 25 per cent cost increase on the Aasgard project, offshore Norway, from Nkr47bn to Nkr64bn.

FT/SPR ACTUARIES WORLD INDICES

Table with multiple columns: Country, Index, % Change, etc. Includes sub-sections for NATIONAL AND REGIONAL INDICES and INTERNATIONAL INDICES.

FTSE GOLD MINES INDEX

Table with columns: Index, % Change, etc. Lists various gold mining companies and their performance.

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COMPANIES IN MARKETS

Weekend April 24/April 25 1999

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Italian ministers hit out at telecoms deal

Rome's finance chief says merger has air of acquisition by Deutsche

By James Blitz in Rome and Peter Norman in Brussels

Three Italian ministers yesterday attacked the planned merger between Telecom Italia and Deutsche Telekom as signs grew that the proposal could be blocked by the disagreement between the Rome and Bonn governments. Vincenzo Visco, Italy's finance minister, said the deal had the air of an "acquisition" by the German side rather than a 50-50 partnership. "It is not reasonably acceptable or conceivable that Telecom Italia should be acquired by a state-owned German company. The conditions ought to be clear: the privatisation of Deutsche Telekom and a 50-50 partnership in the new group," said Mr Visco. Enrico Micheli, Italy's public works minister, said Telecom Italia was "too important for the nation to be the subject of an acquisition". Salvatore Cardinale, communications minister, said the

German side needed to give "clear, precise and rapid signals" on parity between Deutsche Telekom and Telecom Italia and the sell-off of Bonn's remaining 72 per cent stake in Deutsche Telekom. However, the German government said there was no need to revise an assurance it had given the Italian Treasury that it would not directly interfere in the running of Deutsche Telekom. But it did not rule out a meeting with the Italian government.

The comments from the Italian ministers represent fears that it will be difficult politically to accept what is seen as a renationalisation of Telecom Italia following its privatisation almost two years ago. Some ministers back Roberto Colaninno, the Olivetti chief executive, who is pressing ahead with plans for a takeover bid for Telecom Italia. It emerged yesterday that arrangements had been finalised for a €2.5bn (\$3.4bn) syndicated loan to partly finance

Olivetti's hostile bid, which is likely to be launched formally next Friday.

Meanwhile, the European Commission yesterday approved Deutsche Telekom's takeover of Max Mobil, Austria's second biggest mobile phone operator, in a deal that will add to the complexity of any eventual EU inquiry into the Deutsche-Italia deal. Karel van Miert, the EU competition commissioner, has indicated the Brussels antitrust authorities are concerned that the proposed merger of the German and Italian telecoms giants could cause problems in the Austrian and Italian markets. It is also expected that Mr van Miert's officials will look closely at product markets such as internet access and data processing transmission as well as fixed and mobile telephony to establish how far the new company would pose a threat to free competition.

Telecoms mergers, Page 23

São Paulo phone bid won by Bell Canada

By John Burton in São Paulo

A consortium led by Bell Canada International yesterday won the auction for a licence to set up a new telephone network in São Paulo, Brazil's wealthiest state, to compete with Telefonica, the Spanish-owned operator of the existing privatised system. The winning consortium won the "mirror" licence because of the aggressive investment targets it pledged. Both the Bell Canada consortium, which includes California-based Qualcomm and WLL International, and its opponent, an Argentine-Uruguayan group, offered the minimum price of R\$70m (\$41.7m) for the licence itself.

The arrival of an alternative to Telefonica should be good news for consumers who have suffered serious disruption to services as Telefonica struggled to meet performance targets set by the regulator Anatel.

Last year the Spanish group paid R\$5.78bn (then equivalent to \$4.96bn) for control of the São Paulo network, paying a 64 per cent premium over the minimum price.

The mirror auction was also good news for the government, which failed to attract any interest in the franchise at a previous auction in January, as the country's currency crisis gathered pace. Yesterday's auction follows a successful privatisation in April of the São Paulo state-owned gas company, sold for \$966.7m, 119 per cent over the minimum price.

Brazil's rehabilitation in international markets was further underlined this week with the successful launch of its first bond issue in more than a year.

The Bell Canada consortium will use wireless local loop technology to install its network more quickly and cheaply than using conventional technology. Bell Canada led a virtually identical consortium to sweep the territory covering eastern Brazil and Rio de Janeiro in January. Régio Martins, telecom analyst at Deutsche Bank in São Paulo, said: "It costs R\$450 to install a WLL line, half the cost of a [conventional] fixed line. WLL lines are digital and are quick to set up."

THE LEX COLUMN

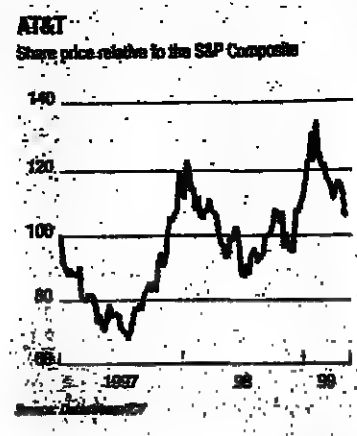
Armstrong's giant leap

Suddenly beset by suitors, who should MediaOne shareholders choose? AT&T's \$66bn bid for the US cable group is currently worth 15 per cent more than the \$49bn offer from Comcast, a rival cable operator. More than a third of AT&T's proposal is in hard cash, which can be increased to maintain the value of the bid if its stock drops. Meanwhile, family-controlled Comcast is paying only in non-voting shares. Since both offer a similar vision - a bundle of electronic services piped into homes via broadband cable networks - AT&T's bid looks superior.

But it is not as clear cut as that. Comcast is a young, entrepreneurial company in an industry growing at three to four times the rate of the telephone giant's core business. Granted, AT&T is being transformed into a more aggressive, faster-growing animal by Michael Armstrong, chairman, and the shares have nearly doubled since he took over in November 1997, but Comcast's have done even better, so its paper might be more attractive to investors.

And, although AT&T is offering more, it is promising only \$200m in synergies against Comcast's \$500m (an estimate AT&T pooh-poohs). As a result, it faces substantial short-term dilution of cash flow and earnings. More seriously, after \$70bn of previous acquisitions, there is a risk that AT&T develops indigestion.

Although AT&T clearly has the edge, a higher counter-offer from Comcast, especially if partnered by Microsoft, one of its shareholders, is still possible.



AT&T Share price relative to the S&P Composite

\$150m in reserve, some must be kept as a cushion against borrowing. So if the AA needs more money, why not sell it to a deep-pocketed backer? The auction for the RAC, its smaller rival, has thrown up plenty of candidates. If the RAC (including British School of Motoring) can fetch \$400m, what value might be placed on the market leader? The AA's breakdown service is 60 per cent bigger than the RAC's. Using a multiple of 1.5 times sales - a generous comparison - gives around \$600m. It is just plausible that financial services, insurance and the rest could drive the total to \$1bn. Anything more would depend on an auction.

But a more attractive proposition might be for the AA to turn itself into a company to gain access to the capital markets and speed up cultural change, while continuing to expand via partnerships. Only a need for urgent action should drive it into the arms of one big backer.

Automobile Association

If ever there were a case for being wary of windfall gains, the Automobile Association, the UK's leading car recovery organisation, is it. It is not yet clear that it will be sold or go public. Even so, valuations of \$1.5bn (\$2.4bn) look wildly optimistic. More conservative figures would yield \$200m each for the 4.5m full members. If the AA loses its mutual status, carping will not be the reason. Mutual building societies - which borrow from savers to lend to homebuyers - make a profit and have substantial reserves. But the AA is running close to empty on both counts. The rationalisation of the past two years has had a cost - about \$20m last year in a business making little return on \$200m of sales. Investment is also needed. Although the organisation has about

Preussag

Alongside Mannesmann's shift into telecommunications, Preussag's transformation from stodgy industrial group to fast-growing leisure service provider ranks among Germany's most impressive corporate re-inventions. A flurry of acquisitions over the past 18 months - the most important being the purchase of market-leading German tour operator Hapag-Lloyd for about \$1.4bn (\$200m) and of a controlling stake in the UK's Thomas Cook/Carlson has created Europe's pre-eminent tourism company. Along the way, Preussag has sold its steelworks and coalmines and is in the process of quitting shipbuilding. Much should be discarded yet. But the result is that Preussag's shares have outperformed the Dax index by 40 per cent

since the start of 1998. Number three in the UK market, Preussag would undoubtedly feel threatened should either Airtours or, less plausibly, the even bigger Thomson Travel wrest First Choice from its proposed merger with Switzerland's Kuoni. Like Thomson, Preussag is a believer in the marketing and scale advantages of being top dog.

Few expect it to let the chance of achieving that in the UK slip away. That said, Preussag has a lot on its plate in that market already. Since it has virtually no presence in France and Italy, Club Med, in which the Agnelli is increasing their stake, could be a more attractive target.

Exchange rates

US officials have been laying down the law about foreign exchange markets. Robert Rubin, Treasury secretary, has said International Monetary Fund money should not be used to prop up fixed rate regimes. Meanwhile, Lawrence Summers, Mr Rubin's deputy, has said that countries are welcome to dollarise their economies but the US will not act as bank supervisor or lender of last resort, or adjust its monetary policy to help a country out.

In short, countries have to decide between floating rates or a currency board/dollarisation - to decide, in other words, between submitting to the dictates of the free market or the US government.

Exchange rate pegs have an unfortunate history of being used as a substitute for more painful economic choices. A strong currency can be the result of a strong economy but is unlikely to be the cause of one. And while it may seem attractive to limit the impact of volatile currencies on an economy, the long-term consequences of such an arrangement is damaging. The domestic private sector sees the peg as an implicit guarantee and borrows heavily in foreign currencies, making the cost of abandoning the peg calamitous.

But a currency board or dollarisation are not easy choices. Both involve the relinquishing of monetary policy-making to another country and require the real economy to bear the whole burden of outside shocks. For many countries, that is neither affordable nor politically acceptable. Most will stick with a floating rate. But more may also decide that they need Chilean-style capital controls to give them protection.

Hyundai to pay \$2.1bn for chip maker LG Semicon

By John Burton in Seoul

Hyundai, South Korea's largest conglomerate, yesterday agreed to pay Woni2,600bn (\$2.15bn) for LG Semicon to create the world's largest memory chip producer in a state-sponsored merger.

Hyundai also announced new details of its plan to cut its \$90bn debt, including the possible sale of its oil refining and steel operations.

The chip deal ended months of negotiations since the LG group rejected Hyundai's initial offer of Woni2,000bn.

Hyundai Electronics was selected in December to take over LG Semicon in a government effort to reduce overcapacity in main export industries.

"It's not a low price since Hyundai will have to assume LG Semicon's debt of at least Woni5,000bn," said Namuh Rhee, research head at Samsung Securities.

Officials recently pressed

Hyundai to raise its offer so that the deal, the centrepiece of the government's industrial consolidation programme, would be quickly concluded.

Analysts expect cost-saving benefits of the merger will not occur for another two or three years because the two chip makers use different production technologies and must wait until the next generation of memory chips to integrate operations.

The deal is expected to increase financial pressure on Hyundai group, whose debt burden is more than five times equity. The total debt of the merged chipmaker is estimated at more than Woni14,000bn, or 10 times equity, according to Samsung Securities.

Hyundai said it would pay Woni1,800bn to LG soon after a final contract was signed by June 30. This would include shares that Hyundai holds in Decom, a telecommunications operator that LG is interested

in acquiring. The remaining payment of Woni1,000bn would be paid in five equal instalments by 2002.

There are suggestions that Hyundai Electronics' creditor banks might ease the financial pressure by offering debt-for-equity swaps or debt write-offs.

But this could provoke objections from the US, which claims debt conversions by nationalised banks amount to state subsidies that would violate international trade laws.

Hyundai Electronics and South Korea's Samsung Electronics, which between them have 40 per cent of the global market for memory chips, are the main competitors of Micron of the US, which has complained about Korean state support for the chip industry.

The merger is expected to eliminate LG Semicon's proposed chip plant in Wales, although Hyundai may proceed with its chip facility in Scotland.

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Markets Latest

FTSE 100	4,488	(+14.4)
Yield	2.14	
FTSE Europe 300	1,208.91	(-1.82)
FTSE All-Share	2,974.58	(+0.24)
Nikkei	18,828.38	(+27.37)
New York S&P 500	1,070.70	(-26.48)
S & P Composite	1,294.54	(-3.88)
LONDON MONEY		
3m Interbank	5.24	(54.74)
Libor 6m (4m)	115.89	(116.83)
US LUNCHTIME RATES		
Federal Funds	4.825%	
3-m Treas Bill Yld	4.44%	
Long Bond	4.95	
Short Bond	3.9%	
NORTH SEA OIL (Argus)		
Brent Dated	\$19.055	(18.29)
WTI	\$18.55	(18.29)
GOLD		
New York Comex (Apr)	\$382.2	(283.5)
London	\$383.45	(283.25)

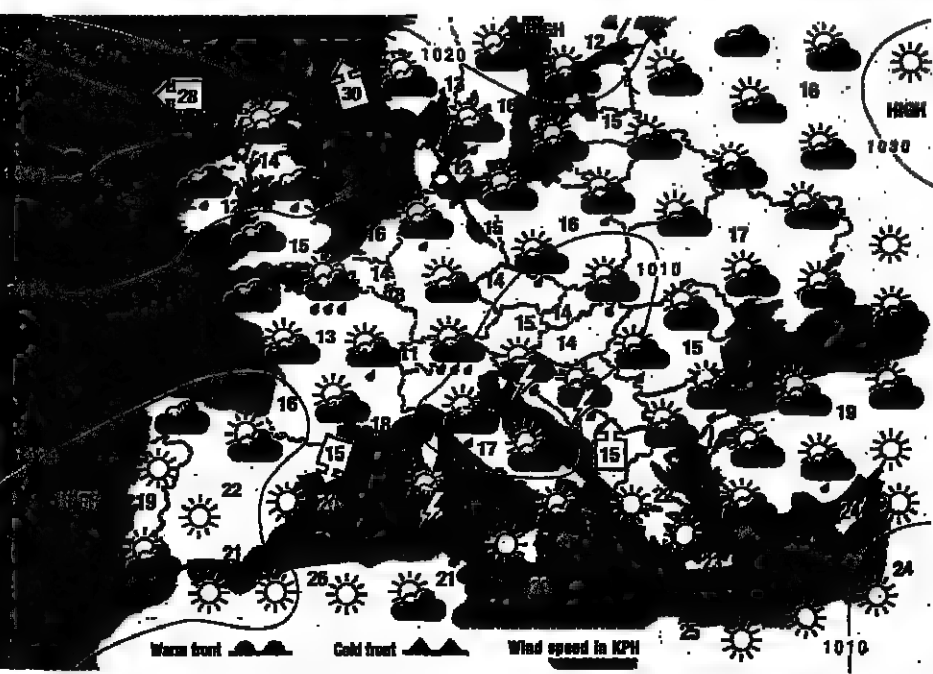
Weather

Europe today

France and the Low countries will have showers or longer periods of rain. Later, the north-west coast will cloud over, with rain possible by evening. The rest of central Europe will be showery, with sunshine further east towards Poland, Belarus and the Baltic states. The Iberian peninsula will be fine, warm and sunny, as will most of Greece and Turkey. Most of Italy and the Balkans will have sunny spells and showers. Scandinavia will be settled and dry with sunshine.

Five-day forecast

Fine, dry conditions over the Iberian peninsula will break down on Sunday as unsettled conditions over north-west Europe extend southwards. Other countries bordering the Mediterranean, along with northern Greece, Bulgaria and the Balkans, will continue to be showery with thundery rain.



Situation at midday. Temperatures maximum for day. Forecasts by THE WEATHER CENTRE

TODAY'S TEMPERATURES

Mazatlan	Sun	27
Berlona	Sun	18
Cebu	Sun	27
Abu Dhabi	Sun	32
Algeria	Sun	23
Amman	Sun	23
Amsterdam	Sun	16
Athens	Sun	22
Bahrain	Sun	29
Bangkok	Sun	24
Buenos Aires	Sun	14
Calcutta	Sun	26
Cairo	Sun	26
Cardiff	Sun	13
Chengde	Sun	13
Chicago	Sun	13
Cologne	Sun	15
Dakar	Sun	24
Dallas	Sun	25
Darfa	Sun	24
Doha	Sun	33
Dublin	Sun	14
Dubrovnik	Sun	18
Edinburgh	Sun	13
Faro	Sun	20
Frankfurt	Sun	15
Geneva	Sun	11
Glasgow	Sun	14
Hamburg	Sun	15
Helsinki	Sun	12
Hong Kong	Sun	26
Jakarta	Sun	29
Jessy	Sun	19
Johannesburg	Sun	20
Karachi	Sun	25
Kowloon	Sun	24
Las Palmas	Sun	24
Lima	Sun	25
London	Sun	15
Luemburg	Sun	15
Madras	Sun	21
Madrid	Sun	22
Moscow	Sun	15
Mumbai	Sun	22
Manila	Sun	24
Medan	Sun	24
Manchester	Sun	15
Meikong	Sun	22
Metz	Sun	15
Mexico City	Sun	20
Miami	Sun	22
Montreal	Sun	8
Moscow	Sun	15
Mumbai	Sun	22
Nairobi	Sun	26
Nagasaki	Sun	19
Naples	Sun	19
New York	Sun	12
Nice	Sun	18
Nicosia	Sun	24
Osaka	Sun	19
Paris	Sun	15
Perth	Sun	19
Phuket	Sun	23
Rangoon	Sun	25
Rangoon	Sun	25
Riyadh	Sun	24
Rome	Sun	15
Sao Paulo	Sun	22
Seoul	Sun	17
Singapore	Sun	27
Stockholm	Sun	10
Sydney	Sun	14
Taipei	Sun	21
Tel Aviv	Sun	24
Tokyo	Sun	18
Toronto	Sun	9
Vancouver	Sun	9
Vladivostok	Sun	20
Warsaw	Sun	16
Wellington	Sun	14
Winnipeg	Sun	14
Zurich	Sun	11

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DIFFERENT STROKE

WEEKLY APRIL 24 1999

ETS
g's giant leap

FT WEEKEND

APRIL 24 / APRIL 25 1999



In black and white
Wall St maverick
who would never bend
Page VIII



Candy in a coalmine
Pretty and feminine
challenges modern utility
Page X



Toddler training
'Tinky Winky got the bag because
little ones love handbags'
Page III

Different stroke

The natives are only semi-restless. As they approach election day, some say the Scots' growing self-confidence has diminished their introspection and allowed them to go in search of an identity. But Brian Groom finds Scotland is not yet fully at ease with its notion of itself

In two weeks, Scotland will elect a devolved parliament, its first national legislature since independence was signed away in the 1707 Act of Union. This election is unlikely to put Scotland on the road to separatism - the ruling Labour party is leading in the polls, and the pro-independence Scottish National party appears to have misread the mood - but few would bet on what might happen in 10 or 15 years.

The political awakening that led to devolution follows a cultural revival that began three decades ago. The psychology of it fascinates outsiders, who come searching for its meaning - leaving Scotland's 5m inhabitants feeling prodded and poked like guinea pigs in an experiment about identity, culture and nationalism, about politics and belonging, about the importance of local roots within a globalised economy.

Ian Rankin, crime writer, is worth listening to. He may lack the chemical cool of an Irvine Welsh or the intellectual austerity of a James Kelman, but his is the popular voice of the Scottish renaissance. He holds eight of the top 10 slots in the Scottish bestsellers' list. Recently he made the UK top 10, and a television series of his stories planned for this autumn is likely to increase his popularity south of the border. "In my next book a prospective member of the Scottish parliament is bludgeoned to death," Rankin says cheerily. Meanwhile a down-and-out commits suicide by throwing himself off Edinburgh's North Bridge. This is more than just another case for his sleuth, Detective Inspector John Rebus. The contrast between the two deaths - between the heaves and have-nots, between the Scottish capital's corridors of power and its tenements of despair - tells us something about the Scottish mind.

Rankin's novels contrast Edinburgh's genteel exterior with its dark underside; its public probity with its private vice; its elegant town houses with its poor housing estates; its Catholic east with its Protestant west. Nationally, these divisions are mirrored in the mistrust between garrulous Glasgow and reserved Edinburgh. "You start with the divided self, and widen out to the divided city and then to the divided country - and eventually, perhaps, to a divided world," he says.

Scottish writers have long been obsessed with *duality*. It has to do with being a nation that is not a proper nation: maintaining your identity while submerging it in someone else's. In Robert Louis Stevenson's *The Strange Case of Dr Jekyll and Mr Hyde*, and James Hogg's *Confessions of a Justified Sinner*, it became a pathological condition. Some see it as a source of paralysis, an excuse for Scotland's failure to seize its own destiny - a nation caught in two minds. Other diversionary tactics include Jewish-style innuendo, a relish for glorious

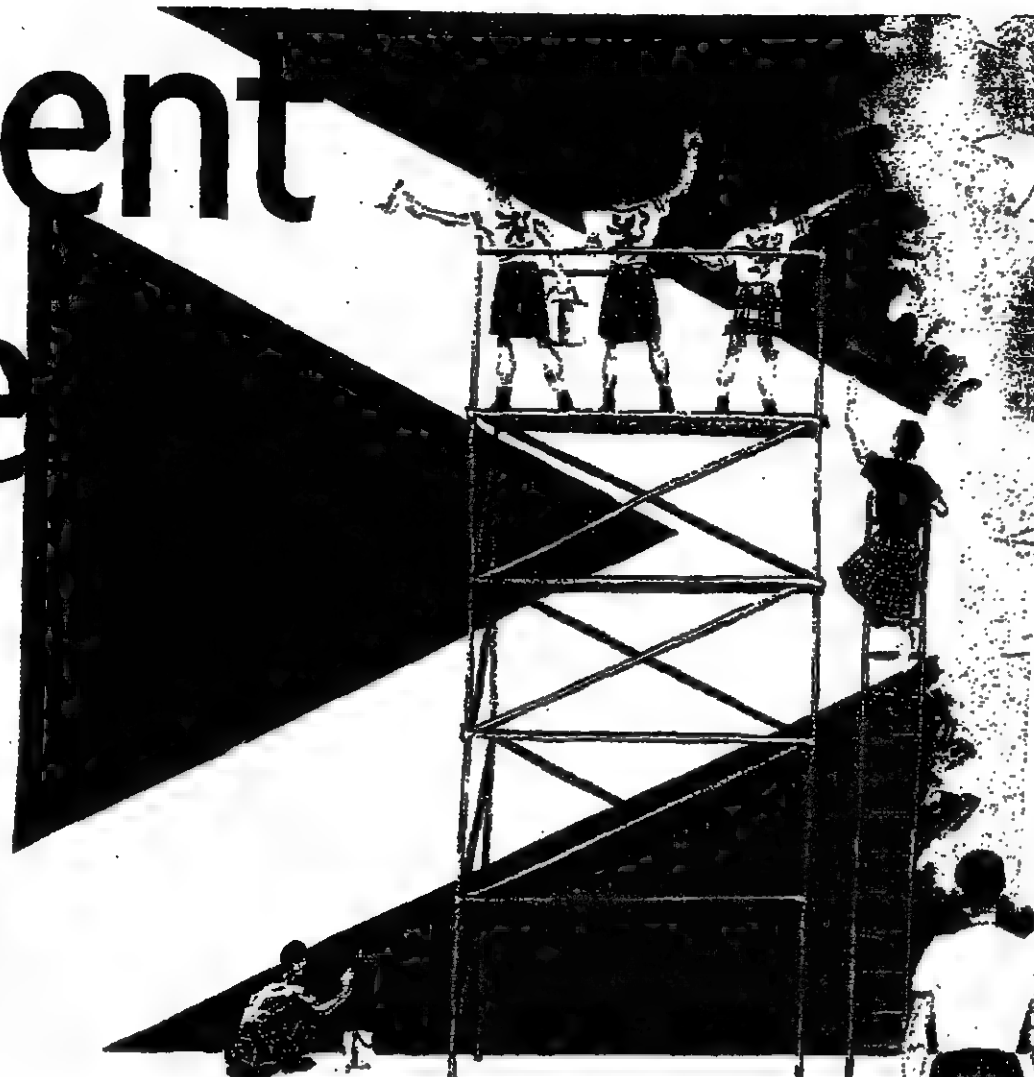
defeats and pessimism, as in the proverb: "Our first breath is the beginning of death." Dualism even has a fancy name, the Caledonian Antisyzygy (coined in 1919 by G. Gregory Smith). It holds that a clash of extremes lies at the heart of the Scottish psyche. R.D. Laing, the Glasgow psychoanalyst and sage of the 1960s, turned this into Scotland's gift to the world: a global malediction of alienation between the inner and outer self.

Modern orthodoxy says Scotland's growing self-confidence has shaken off this and other demons that held back the nation from self-fulfilment. A flowering of culture and science, and an economic transformation, have created the conditions for political autonomy. At last the Scots know who they are.

Rankin is not so sure. "I think we are still struggling to come to terms with that identity. Maybe it will become clearer when the parliament is up and running and people get more confident, and start to ask questions about themselves," he says.

Few doubt there has been substantial change. A.L. Kennedy, the novelist, says: "In the 1970s, we were going to just disappear or turn it round." Since then a nation that had submerged itself in a British identity, and accepted a tartan-and-heather image, has remade itself for the modern era. It now feels more European than British.

The energy came from within, assisted by the 1970s back-to-roots zeitgeist. It came from writers such as Alasdair Gray and Liz Lochhead, painters such as Ken Currie of the Glasgow Boys school, who explored the city's industrial past, and from political the-



movie, and Robert Carlyle in the highwayman film *Flanter and Maclean*.

Scotland started changing as the British empire, in which Scots played a large part as soldiers, traders and colonial administrators, crumbled - it had largely gone by 1970, but the process of adjustment continues. Secularisation of western societies also helped transform traditionally Presbyterian Scotland. Scots had participated enthusiastically in the British state: enjoying the fruits of empire, defending Protestantism. Without either, the United Kingdom in its existing form began to be questioned.

Inside Scotland, the change is illustrated by the reception accorded a sentence written in 1970. Tom Nairn, the nationalist intellectual, wrote in an essay: "Scotland will be reborn the day the last minister is strangled with the last copy of the Sunday Post." Adapted from French anti-clericalism via Diderot (immunity would be free when "the last king was strangled with the entrails of the last priest"), it became mythologised as a national joke.

The minister in question was of the Presbyterian Church of Scotland, seen as suppressing the nation's political instincts by sublimating them into homely values espoused by the biggest selling

newspaper, and Robert Carlyle in the highwayman film *Flanter and Maclean*.

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The energy came from within, assisted by the 1970s back-to-roots zeitgeist. It came from writers such as Alasdair Gray and Liz Lochhead, painters such as Ken Currie of the Glasgow Boys school, who explored the city's industrial past, and from political the-



Scotland's move to self-determination has been accompanied by the decline of two institutions: the Church of Scotland, and the Sunday Post, the biggest selling newspaper that espouses homely values

newspaper. Nairn did not choose an external target, such as the English, or even land-owners and capitalists: his point was that Scotland was not colonised, but self-colonised. On one level, his vision has proved prescient. Scotland's move to self-determination has been accompanied by the decline of both institutions: the Church of Scotland, known as the Kirk, had 600,000 communicant members by 1997, half the level of 60 years before, while the Sunday Post's circulation has halved to 740,000 in little more than a decade.

What he failed to forecast was the radicalisation of the Kirk. The Kirk, along with other mainstream Christian churches, has played a big part in the fight for devolution. The Church of Scotland Assembly Hall in Edinburgh will house the new parliament until its new building near Holyrood Palace, designed by Catalan architect Enric

nations. Globalisation means they enjoy the same food and drink, watch the same films and buy the same cars as other people. Ironically, it has brought them closer in behaviour patterns to the English, which is one reason for the energetic search for differences.

The kilt, for instance, is enjoying a renaissance. Banned after the 1746 highland rebellion, it became a Unionist and lowland cult when popularised by Sir Walter Scott in the 19th century. It fell into contempt among young Scots by the 1960s, along with other insignia of Tory tartanry, but has made a comeback as a national icon - often worn with a T-shirt and Dr Martens boots.

Alan Clements and his wife Kirsty Wark, the Newsnight presenter, face the identity issue more than most. Their television production company, Wark Clements, makes programmes for Scotland and the UK network.

Other factors cause concern to some observers. A rise in reported incidents of anti-English racism, for instance. Another tendency is for Scots to pick which national myths they choose to believe in, seeing themselves as oppressed, many blot out their past role as British imperialists.

For a supposedly sophisticated nation, Scotland swallowed the unwholesome Hollywood hokum of the film *Braveheart* - an inspiration to US white supremacists and blood-and-violence nationalists the world over - back, line and sinker. The SNP's ratings shot up after its release, courses in Scottish history boomed, and now one of New Scotland's coolest companies, Red Lemon in Glasgow, is launching a Braveheart computer game.

All of which suggests, as Ian Rankin implies, that Scotland is not yet wholly at ease with its notion of itself. It remains susceptible to crude and romantic messages from outside. As the parliament strives to make an impact, Scotland's identity will be as much a battleground as its political future.

The author edited *Scotland on Sunday* between 1994 and 1997. He now heads the FT's correspondents around the UK.

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PERSPECTIVES

ETHICS TODAY JOE ROGALY

The trouble with those who lead by following

The visionaries are gone; focus groups now tell politicians what voters want to hear. And only an accumulation of little mistakes can shift those in power



We are in the age of micro-politics. Party labels no longer stand for clear ideologies or sets of values. They have become logos, means of identifying alternative troupes of office-seekers. We do not elect visionaries, but actor-managers; not great thinkers who will try to change the world but good TV performers whom we can rely on to tinker with details.

It was not ever thus. When she was prime minister Margaret Thatcher behaved like an actor-manager with vision. The effect of her ministry was felt where it counts most, inside our heads. There, in our memory-banks, Thatcherism still prevails. Yet it all seems so long ago.

On May 4 she will celebrate the 20th anniversary of her first election victory. Her admirers will doubtless raise a glass to her on that day. The rest of us should

rejoice on November 10, the 10th anniversary of the fall of the Berlin Wall.

We have to admit that these auspicious dates are not unconnected. It would be absurd to credit Lady Thatcher with the collapse of the Soviet Union. That suffocating edifice fell because communism could not produce the goods.

Yet the free-market ideology that has been attached to her name was powerful enough to destroy the old British Labour party in the process of conquering the world.

We know what happened next. People began to say that the victorious Conservatives would be in power forever, that everything would eventually be privatised, including social services.

Funny that. Today the belief is that New Labour holds the key to eternal office, that it is the

Tories who will never get back. History does not support this view now any more than it did the opposite proposition during the years of Thatcherite triumph. We heard its counterpart in 1986, after old Labour won a 100-seat majority, a reward from the voters to a collectivist government that had shamelessly bribed them with their own money. Labour lost the next election, in 1979. I seem to recall some people saying, before Bill Clinton came along, that the White House was a Republican preserve.

Ah, but it is different this time.

you say. The Conservatives are a rump. New Labour has stolen all the Thatcher policies, added in a dash of social conscience and thus rendered itself invulnerable. Let us agree that this is so. We are then in trouble. No democ-

Voters want the benefits of the market economy, but they also want certain social services. We want low taxes, but high-quality public education

racy can serve its citizens well if they are deprived of a reasonable opportunity to dismiss one party in favour of another. There must be a viable choice. It is obvious when one side is pro-capitalist, the other anti.

But what happens when artificial actor-politicians tailor their policies to what focus groups tell

them people want to hear? Ask President Clinton. Ask Tony Blair.

We can thus understand why the Conservatives were informed by their leader and deputy leader this week that society cannot live by the rules of the free market alone. It is what market research tells them to say. Lady Thatcher spent our money on public services, but she refrained from bragging about it, even at the fund-raising dinner at which she spoke on Tuesday.

Her successors present a pitiful spectacle. Their motive, to win support for their party by shedding the hard Thatcher image, is transparent. Yet they have grasped an important point. Voters want the benefits of the market economy, but they also want certain social services.

We want low taxes, but high quality public education. We like

the capitalist cornucopia produces, but many of us feel that not all our needs are best met by corporations. Some of us even regret the growth of inequality since 1979.

Post-Marxist parties everywhere have to wrestle with these contradictory civic demands. New Labour has found one answer: low cunning. It increases taxes, but only in ways it hopes we won't notice. It even redistributes some of its harvest from rich to poor - but again, by stealth.

This is thought to be the way voters like such things to be done. In Britain people want a liberal economy as well as public provision of education, health care and social security. In the US there is no consensus on health, but schools and social security are taxpayer-financed.

For those who lead by follow-

ing, the most difficult line to draw is on regulation. Listen to business, and you regulate lightly if at all. Hear the concerns of consumers and you are tempted to do the opposite. Conservatives everywhere are naturally suspicious of constraints on producers of wealth. So, it would seem, is New Labour - although it would be wise to listen to its public on, for example, genetically modified crops.

It is this kind of issue that will determine the fate of the next political generation. The task for the Conservatives is to make themselves electable by building a picture of how they would manage the existing liberal market. They then have to wait, perhaps for several years, for the Labour administration to pile up an accumulation of errors. Whoever wins will owe the prize to her.

Joe Rogaly is a FT columnist



Anne Wood: 'I have always been of the opposite persuasion in educational theory to the one that seems to dominate the educational agenda at the moment'

LUNCH WITH THE FT

Tinky Winky's handbag pays out

Anne Wood, creator of the Teletubbies, tells Judi Bevan of the long and winding path to her flower-filled meadow

I spotted Anne Wood, the 61-year-old former schoolteacher turned entrepreneur who has outraged educationists with her television programme *Teletubbies*, the moment I walked into the foyer of the Berners Hotel, just north of Oxford Street.

I had never seen a photograph, but the woman in a loose dark denim shirt, dangly earrings and sitting amid the central European extravagance had to be her.

The young man opposite her might have been a nephew, but as I edged up closer to eavesdrop I picked up a quietly businesslike tone. Wood, founder of Ragdoll Productions, the television company which produces *Teletubbies*, was having a catch-up meeting with one of her executives and would join me in the restaurant in 10 minutes.

Our lunch had taken three months to arrange because of her hectic work schedule and a holiday in Barbados. Another 10 minutes was not a problem.

In those three months, Wood's persona had become more public. Her wealth, assessed at £55m, had put her among the 500 richest people in Britain, and her success with *Teletubbies*, which holds two-year-olds spellbound in 80 countries, had won her a place on the shortlist for the *Veuve Clicquot* business woman of the year award.

Wood's claims on such a title are strong and if she is announced as the winner on Thursday, it would cap a dazzling spell in her career.

As I waited, a faint institutional smell of greens drifted up towards the magnificent moulded ceiling of Reflexions, the cavernous restaurant in the Berners Hotel. Although the square tables were set prettily with pale yellow linen, the wordy menu - "Roast skate wing with basil, Pithivier and Sauce Vierge" - filled me with foreboding.

Wood arrived and as we grappled with the menu she admitted she did not suggest the venue from the "food point of view but a quietness point of view - and it is convenient for me".

The head waiter arrived and we ordered. Wood declined a starter, opting for the "Roast fillet of Brill with leek and potato crumble with chervil and tomato compote". She also decided against wine. "I have to stay awake this afternoon."

Colleagues talk in awe of Wood's ferocious energy and obsessive perfectionism but when I asked if she was a workaholic she denied it. "I have as many holidays as anyone. But I am a working class woman from the north-east and if you didn't work you didn't eat," she said briskly. "But when I'm off, I'm off."

The phenomenal success of the *Teletubbies* - the first

television programme designed for toddlers and featuring characters called Dipsy, Tinky Winky, Laa-Laa and Po, who live in an idyllic world with intriguing gadgets to entertain them - has won her worldwide fame and approbrium. Since the programme was launched in the US last year it has also catapulted her into the multi-millionaire league.

Before *Teletubbies* she had earned a reputation for producing quality programmes *Tots TV*, *Brum* and *Rosie and Jim*, all aimed at children from three to five. "I

But from the moment it took off, *Teletubbies* has been the subject of critical fury. Accusations poured in: the programme failed to develop children's language (since disproven); it was out of touch with the real world; it exploited tiny children through the merchandise; and recently, US television evangelist Jerry Falwell "outed" Tinky Winky as being gay because he is purple (the colour of Gay Pride in the US) and carries a red handbag.

Wood dismissed the critical furore as "all the non-

potential to be brought out, given enough time and confidence. I believe in a mixture of stimuli - both physical and artistic. I don't believe that you can fill them up with whatever you feel is right and test them at four and six and seven."

The company slogan is "Ragdoll works for children." Wood said all she ever wanted to do was produce programmes that make children laugh or smile. She is concerned about the growing number of children showing signs of stress.

But should children of that age be watching television at all, I asked.

"The fact is, 60 per cent of households have television on the whole time anyway, so how do you stop them?" An edge had crept into her voice. "For many parents television is a way of life, so children will be in front of it whatever - and so we have a responsibility to address the needs of those children."

Where did her fascination with children come from? She seemed unsure. Born in 1937 - her two brothers died as infants - she grew up in a small town in county Durham, sharing a room with her grandmother.

"My parents were very poor. My father was a roadworker, but it was a good home from a love point of view."

A key motivator was a lack of books: "If I had had

TV-am led her to set up Ragdoll 15 years ago and it staggered along for many years. Until five years ago the bank loan used to set up the company was secured against the family home.

New York analysts have predicted that the merchandising frenzy in the US since *Teletubbies* was launched there last year would make profits for her personally of £40m this year. She shook her head at this but conceded that Ragdoll, in which she holds 88 per cent, had made a lot of money.

"We will make a very healthy profit and I'm very happy about it. It's wonderful not to feel under financial pressure but it brings another set of problems."

So how has she been spending her money?

'Laa-Laa and Dipsy had the ball and the hat and Tinky Winky got the bag. Little ones love handbags'

"I have bought an acre and a half of land on the edge of the Cotswolds which I am making into a wildflower meadow. And there is a house on it which we are doing up."

"I am able to afford to employ people who are experts in wild flowers and that is lovely; that is a treat," she said smiling.

For the rest, she has set up the Ragdoll Foundation, which takes 15 per cent of profits, channelling them into research into children's problems.

Recently, she has been approached to make Ragdoll's first movie for children. All she divulged was that it will feature a Latin American child and be directed by a young Brazilian.

The food had been surprisingly good and we ordered coffee. I drew a deep breath to ask the most sensitive question: was Tinky Winky intended to be gay?

"We needed to give them each something satisfying to play with," she explained.

"As the littlest, Po had the scooter as the most exciting toy, Laa-Laa and Dipsy had the ball and the hat because they suited the performers, and Tinky Winky got the bag because little ones love playing with handbags and it was the last thing. It was a process of elimination."

And what about the American view that *Teletubbies* merchandise exploits the youngest and most vulnerable?

"It's funny," she retorted, "they never say that about Disney."

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BOOKS

All change in the money-makers' temple

The switch from partnership to public company will expose the mystery of the most successful investment bank in the US, says Peter Martin

Money is the sacramental oilment of our era. In sufficient quantity, it renders holy even the most mundane activity.

This is the inescapable conclusion to which the reader is driven by Lisa Endlich's history of Wall Street's last big surviving partnership. Goldman Sachs is an interesting firm. The business in which it participates is intriguing. But it is the huge wealth it has generated for its partners in recent years that explains the reverential treatment the firm receives in this book, and in much of the press.

Though Lisa Endlich - who used to work at Goldman Sachs - venerates the firm, she is not blind to its errors. Some of the activities in which the firm has engaged over the years are explicitly criticised. Others - more recent ones - are criticised by implication. But overall, Goldman Sachs is treated as a unique institution, a band of brothers linked by fraternal vows, headed by

GOLDMAN SACHS: The Culture of Success by Lisa Endlich
Little, Brown £18.99, 319 pages

far-sighted and selfless leaders. The firm's cohesive internal culture, as the book's subtitle indicates, is the hero of the tale. Because Goldman Sachs is about to sell a big stake in itself to public shareholders, this culture is about to change. Much of the book is about the debate that has preceded this decision, and the way in which the internal culture is already changing. Anyone interested in this process - which is, indeed, fascinating -

will find the book valuable. But the space occupied by this issue underlines the book's two big weaknesses. First, there is far too much on recent decades compared with the events of the firm's past. And second, the description of a culture on the verge of change has a nostalgic quality, which overstates the firm's past harmony. "In the old days," said one partner in an internal survey quoted in the book, "when you became a partner, you would feel free to give your wallet to another partner to hold for safekeeping. I do not think it is that way today." Well, he is on the inside, and we are not. But was the past really that idyllic? Endlich describes the firm's past crises in terms which leave

the reader wanting for more. The Goldman Sachs Trading Corporation, an eager participant in the pyramid frenzy which contributed to the Wall Street boom and crash of the late 1920s, is one such episode - which cost the senior partner his job. Goldman Sachs' involvement in the Penn Central collapse of the early 1970s is given even shorter shrift. By contrast, two crises in Goldman's London office in the 1990s - Goldman Sachs' peculiar relationship with Robert Maxwell and the 1994 trading losses - are described in exhaustive though not always illuminating detail. Similarly, the portrayal of the firm as a place pervaded by a higher calling is a little exaggerated.

After the decision not to take the firm public in 1998, for example, Endlich quotes a partner who described the feeling as "like reaffirming one's vows." The whole place was uplifted with the re-dedication," said another partner. The first time this sort of phraseology is used, it's rather touching. By the end of the book, it provokes a mild sense of nausea. Still, the book is written in a clear and straightforward style, and some of the anecdotes are excellent. In particular, Goldman Sachs partners seem to have a facility with one-liners that would ensure them a career in comedy if things go wrong. Memorable quotes include Gus Levy's description of the firm's objective - "greedy, but

long-term greedy" - and Steve Friedman's argument for the sense of ownership that a partnership provides - "No one ever washes a rental car." But what is not well explained is the process that took Goldman Sachs from a distinguished also-ran in the mid-1970s to the world's leading investment bank only a decade later. Part of this was the international expansion that Endlich charts well. But most of it was a series of flawless bets on the future direction of the US financial services industry. It is a curious feature of the transition from partnership to public company that the top managers who made these bets - now mostly retired - will have only a small share of the flood of

wealth that will descend on their successors. Until recently, the capital value of the firm has been held in a sort of flightproof trust, passed down from generation to generation. Now it will be realised, once for all, in a transition that will make some people immensely rich. This flood of newly created wealth highlights the mystery of Goldman Sachs. But once the shift to public ownership is complete, the mystery will be exposed to public view. No matter how much money the business continues to generate, it will be shared with the public. The sacramental oil will remain. But, shared with a wider base of investors, it will lack its smothering power. The next book about Goldman Sachs will read a little more like business history, and a little less like religious commentary.

To obtain 'Goldman Sachs' at the special price of £18.99 (free p&p in the UK), ring the FT Bookshop on +44(0)181-324 5511.

Baghdad blues

Saddam's grip has been strengthened by the west, says David Gardner

OUT OF THE ASHES: The Resurrection of Saddam Hussa by Andrew Cockburn and Patrick Cockburn
HarperCollins US \$26, 322 pages

For all the ink, policy time and ordinance that has been expended on Saddam Hussein over the past decade, not until now have we had a coherent account of how the Iraqi despot has survived the onslaught of the west, even while his hitherto rich country was being pushed back into a pre-industrial age. This book is it, and it is a painful account.

Patrick Cockburn is a distinguished journalist with 20 years experience in the Middle East, while his Washington-based brother Andrew is an acute and acerbic commentator on US foreign policy. Their skills and knowledge complement each other to produce a seamless, cockpit-to-ground narrative written with pace and verve, researched with rigour, and telling in choice of detail.

The history of western intervention in Iraq, the book makes clear, seems only to have made the country's violent politics more blood-soaked. Britain's quasi-colonial control from 1921 began with the imposition of King Faisal, third son of the Hashemite dynasty from Mecca which produced King Hussein of Jordan, through a rigged referendum which yielded a 98 per cent endorsement - not far short of the 99.98 per cent result Saddam enforced in October 1986 that so excited western scorn. The British immediately faced revolt across this arbitrarily constructed nation-state, from Kurds in the North, Sunni Moslems in the centre and the Shi'ite majority in the South - a rare moment of Iraqi national unity.

The Cockburns' sketch of the past finds eerie echoes in the present. The colonial power withdrew its ground troops and tried to bomb Iraqis into submission. The British used poison gas on

the fractious Kurds and then unleashed Arthur "Bomber" Harris, the architect of the air offensive against Germany two decades later. The Arabs and Kurds, Harris averred in 1924, "now know what real bombing means... they know that within 45 minutes a full-sized village can be practically wiped out and a third of its inhabitants killed or injured."

The Hashemites were eventually massacred in the nationalist coup of 1958. Five years later, another power which wished to influence Iraqi politics at one remove, the US, tipped the balance in favour of Saddam's Ba'ath party in an equally bloody coup against the nationalising government of Abdel-Karim Qasim.

Iraq's huge oil reserves were nationalised anyway.

Saddam came to believe he could walk on geo-political water, likening himself to Saladin and Nebuchadnezzar

and under the pan-Arab nationalist Ba'ath, Iraq evolved into the cultural hinterland and industrial powerhouse of the Arab world, satisfying the west through lucrative contracts and commissions. By the time the cunning and ruthless Saddam seized absolute power in 1979 - the year of the Iranian Revolution - all that interested western and Arab governments was whether he would serve as a bulwark against a militant Islamist revival.

Saddam duly invaded Iran, bankrolled by oil-rich Gulf monarchies and armed by the west, and subsequently came to believe he could walk on geo-political water, likening himself to Saladin and Nebuchadnezzar and manufacturing a lineage from the prophet Mohammed. Certainly the tyrant of Baghdad must have registered western and Arab insouciance about his

build-up - and use - of weapons of mass destruction. The Cockburns say state department, CIA and department of energy officials knew that Saudi Arabia was financing Iraq's bomb programme in exchange for eventual payment in nuclear devices, but took no action.

They then reckon that his invasion of tiny oil-rich Kuwait in 1990 was the biggest political miscalculation since Hitler invaded the Soviet Union in 1941. From a per capita income equivalent to the lower levels of the European Union, Iraq, after the Gulf War and subsequent sanctions regime, was reduced to the barely subsistent levels of Mali.

It is well known that fear of opening a gateway to Iran prevented the US-led Gulf War alliance from pressing on to Baghdad to unseat Saddam after it evicted Iraqi forces from Kuwait in 1991. What is less well known is that the chain of casual cock-ups in US policy on Iraq began exactly then.

A month after the war, with Iraq in ferment, US president George Bush called on "the Iraqi military and the Iraqi people" to force Saddam out. The intention - then as now - was to incite another coup. But the phrase the "Iraqi people" was added as an afterthought, and it unleashed insurrections in the Kurdish North and Shi'ite South, where people thought they could count on allied support.

The uprisings reduced Saddam's control to four out of Iraq's 18 provinces, while his army was down to two days' supply of ammunition. If indeed Saddam's miscalculation ranks alongside Hitler's, then this moment certainly merits comparison with the Red Army's deadly pause during the Warsaw uprising - drowned in blood just as these two insurrections were, while the allies stood by, patrolling overhead. The US instead exported the captured arms to Afghanistan, from where their proxy holy warriors against the Soviet infidel have come back to haunt them.

Ever since, Washington has strangled Iraq with sanctions and hoped and plotted for a silver bullet or - in the words of a CIA operative - a "zipless coup" which would take out Saddam. The sanctions have instead strengthened his hold on a starving people with stunted or dying children. And serial CIA schemes have resulted in setbacks which warrant comparison with the 1961 fiasco of the Bay of Pigs US proxy invasion of Cuba.

This book is particularly good on the dysfunctional US policy-makers - who, it says, "knew a great deal about Iraq... [but] very little about Iraqis". It should be obvious that a sanctions regime which places control over food rations in the hands of the state strengthens Saddam's control; or that flirtations with a fragmented opposition tends to force anyone who fears retribution to close ranks behind Saddam.

The message of this book is that Washington is not willing to take action to get rid of Saddam, but instead makes the Iraqi people pay the price of besieging him. One day, it says with bleak accuracy, the bill for that - in accumulated bitterness against the west throughout the Arab world - will come due.

'Out of the Ashes' can be obtained through FT Bookshop +44(0)181 324 5511 or Amazon.com.



Clementina, Lady Harbord was half-Scottish, half-Spanish, married an Anglo-Irishman, died at 41. Of her ten children, seven daughters survived to provide haunting models for the astonishing photographs she took from 1857 to 1864: the play of mirrors and subtle light, fabric finery and lush painterly scenes of an indoor, female life. The sumptuous book 'Lady Harbord: Studies from Life' (V&A £30, 128 pages) accompanies an exhibition at the Victoria & Albert Museum, London SW7, from April 27.

It's all in the stars

A.C. Grayling goes in search of extra-terrestrial life

PROBABILITY I: Why There Must be Intelligent Life in the Universe by Amir Aczel
Little, Brown £17.50, 230 pages

Is there life elsewhere in the universe? Is there intelligent life elsewhere in the universe? Is there intelligent life able, or willing, to attempt communication with worlds beyond its own?

Each of these questions is more specific than the last, and the third becomes more specific still when we restrict its application to our own galaxy, on the grounds that our nearest galactic neighbour, the Great Galaxy at Andromeda, is too far away to concern us; it takes two and a quarter million years for its light to reach us, which means that any messages we receive from it would have long passed their sell-by date - and however interesting the messages might be, replying would be pointless because the return journey would take as long.

But these are good questions nonetheless. There is nothing scientific about them. Just how good they are is shown by Amir Aczel in his presentation of the case for saying that it is not merely likely that there is life elsewhere in the universe, but certain. Yes, certain. This bold conclusion is drawn from what we know about the nature of the stars, the chemistry of life, and the mathematics of probability.

The research teams of astronomers at SETI (Search for Extra-Terrestrial Intelligence) concentrate on our own galaxy, and their target is intelligent life capable of commu-

nicating with us. In this more narrowly specified research there are no certainties, but even so a recent estimate tells us that, again on modest assumptions, there are possibly 10,000 civilisations in our galaxy capable of communicating with us. The late Carl Sagan, doyen of SETI research, more expansively estimated a million such. But Aczel's discussion is not restricted to the same criteria: he is interested in whether there is life of any kind anywhere in the universe beyond our own planet; and it is this question which receives the answer: it is certainly so.

This result is the more surprising for being so conservatively deduced. Suppose we leave aside fanciful possibilities about other life-forms, and ask whether something like life on earth might exist elsewhere. Earth life is based on carbon, requires a certain range of temperatures and

pressures to survive, and usually requires the presence of oxygen (although there are some anaerobic organisms). It has been suggested that sulphur or silicon might provide the basis for different kinds of extra-terrestrial life-forms, and the possibility cannot be ruled out; but if we stick with carbon for the present, we are led to ask how likely it is that there are other planets, somewhat like ours in the respects relevant for carbon-based life, orbiting stars

like our sun elsewhere in space. Boosted by the recent discovery of a number of planets circling other stars, astronomers infer from the way stars form that at least half of all stars are accompanied by planets. This is because stars form by coalescing from clouds of gas and dust created either in the initial Big Bang or, more recently, by the supernovae of earlier stars. Their gravitational fields keep the remaining dust circling them, with minor congealments occurring to form "planetesimals", which then clump into planets proper.

Only a planet of a certain size and distance from its star could provide earth-like conditions for life; but there are millions of billions of stars in the universe, and even if only a fraction of them have planets, the likelihood that there will be very many similar to ours is exceedingly high. Given that we know, as a result of analysing the spectral lines of light emitted by stars, that the chemicals necessary for earth-like life are abundant in the universe, it follows that the probability of there being extra-terrestrial life is so high as to be a virtual certainty. And that is the claim that Aczel wished to substantiate.

The argument is wholly convincing, and Aczel presents it in absorbing style, taking us through the science and mathematics with commendable lucidity. Apart from other considerations, the certainty that there is life elsewhere in the universe boosts the plausibility of the claim that there could be thousands of intelligent civilisations in our own galaxy. In view of the fact that any civilisation which has survived its own advance into space communications is more likely to be peaceful and wise than not, we have much to gain from establishing contact with them. More power to SETI.

No poetic licence

HOPE AGAINST HOPE by Nadezhda Mandelstam
Harvill £17, 423 pages

When the poet Osip Mandelstam was sentenced to five years' hard labour by the Soviet authorities in 1938, his wife, Nadezhda, knew that he would not survive the ordeal. Towards the end of this harrowing account of their life together she even confesses to relief at being told of his death. The manner in which she was informed illustrates the brutality of the system that disposed of him. A post office official handed back a parcel which Nadezhda had sent to her husband, saying bluntly, "The addressee is dead."

Mandelstam was one of the quartet of great Russian poets who emerged in the first two decades of the century, the others being Anna Akhmatova, Boris Pasternak and Marina Tsvetayeva. Like many writers of his generation, he initially expressed optimism at the outbreak of the Revolution, seeing it as an opportunity for social justice and the "rationalisation of life". Over the

Nadezhda began writing this memoir primarily to record the horrors of a regime designed to destroy not only people but 'the very intellect itself'

next decade, as the full magnitude of Stalin's paranoia became apparent, his hopes were smashed. Yet throughout the period of despair which Mandelstam endured, he refused to go abroad, even when offered the chance by his friend Bukharin. Instead, in 1939 on a visit to Armenia, his creative imagination was rekindled, and he assumed "the voice of a witness".

His poem about Stalin, in which he described the dictator as a "Khrushchev mountain" with "cockroach whiskers", led inevitably to his arrest, and from then on he and Nadezhda suffered a living hell of surveillance, harassment and deprivation. Miraculously, he was relieved from the ultimate sanction when Stalin telephoned his friend, Boris Pasternak, and asked, "Is Mandelstam a genius?"

Nadezhda (which means "hope" in Russian), began writing this first volume of her memoir in 1964, primarily to record the horrors of a regime which was designed to destroy not only people but "the very intellect itself". Her account has become a classic of Soviet literature, partly because it affirms the power of the poet to resist the destruction of the imagination, and also because with its meandering narrative and philosophical aspersus it redefined the concept of biography and memoir.

Paradoxically, as Stalin's efforts intensified, the Russian people developed a greater craving for poetry: perhaps because - as Osip said - if they killed people for poetry, then they must fear and respect it. In the last pages we hear of other prisoners in the camp where Mandelstam ended up recalling a babbling, emaciated figure reciting poetry to an audience of thieves and murderers.

Nadezhda Mandelstam emerges as a figure of courage and integrity. Scamuzza Heamey described her as a "guerrilla of the imagination, devoted to the cause of poetry and to the preservation of her husband's achievement". She was capable of great wisdom, too. She derives no moral lesson from the Gulag, other than to insist that everybody is a victim, "not only those who die, but also the killers, ideologists, accomplices and sycophants who close their eyes or wash their hands". *Hope Against Hope* is a celebration of the poet's power to protest against that dehumanisation and of the strength of the human spirit. It is, as Osip Mandelstam said, only "silence which is the real crime of humanity".

Daniel Britten

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BOOKS

Goodbye to all that

Will Labour's 'New Britishness' hasten Scottish devolution? asks John Lloyd

NOR SHALL MY SWORD:

The Reinvention of England
by Simon Heffer
Weidenfeld & Nicolson £12.99, 133 pages

ENGLISH IMAGINARIES:

Six Studies in Anglo-British Modernity
by Kevin Davy
Lawrence & Wishart £12.99, 202 pages

The most important part of Simon Heffer's book is a claim that the loss of the "loss" - of Scotland - would allow the English to take a tax cut of 4p in the pound. An individual or a family in England, on a median income, could put by some £1000 a year to help solve the pain of the Scots' secession. Put another way, would you (Englishman or Englishwoman) pay £1000 to keep the Scots in Britain? Or would you muddle through with your 50m compatriots, leaving five million Scots to disappear, whingeing, into the Celtic mists?

A second point is almost as important; it is that the creation of a Scots parliament, on which Scots will vote in 10 days' time, will help destroy the Union. Since Heffer's prose is pleasurable elegant, if self-consciously archaic in being so, he had better explain this himself. "The very activities of the Scottish parliament would be a forcible, continuing reminder to the English that they had never been asked about whether they were happy to pay such a large subsidy to a country that had succeeded in extracting a substantial measure of independence from them... removing this imbalance means either ending devolution or ending the Union."

There is not, in fact, very much more to *Nor Shall My Sword*. It is a magazine article padded out to be an essay dressed up as a book - with a vastly inflated title. But these, and one or two other observations, are - if not original - certainly to the point. Devolution has come upon the

English as a thief in the night; or rather, it has come upon them to illuminate the fact that, in the long period of indifference with which they have treated the Union, Scots raiders have been busy carting English tax-payers' loot over the border, sending too many MPs to Westminster per head of a declining population, demanding the continuing right to speak on English matters while denying the English the right to speak on Scots ones and taking three of the four traditional great offices of state (foreign and home secretaryships plus the Lord Chancellorship) as well as three other cabinet seats. And now a parliament

So that the English will not notice, New Labour is striving, belatedly, to give some bottom to New Britishness. Earlier this month, Chancellor Gordon Brown gave tongue to a reflection on British values in which he claimed that Old Britishness had become unpopular because the institutions which underpinned it were unreformed. This new civic Britishness would be based on modernised institutions, yet adhere to traditional values: "tolerance, fairness, a belief in enterprise and hard work and an outward-looking approach to the world."

These values are, of course, remarkably close to the campaigning image of New Labour; and even if they have the virtue of being hostile to the Powellian themes of racial essentialism, under which Britishness was at best grudgingly given to those who supported the West Indies or Pakistan during a last match, they still duck the Scottish questions. The conventional Scots question is - will the Scots vote, at some point in the near future, for independence? Heffer assumes they will; indeed, he interprets Labour's popularity in Scotland as being due largely, even wholly, to that party's promise of devolution. Once that is achieved, the Scots "could then switch allegiance to a party which promised not just devolution... but full blown separatism". This is to assume an ethnic predisposition, or national fixity of purpose, which does not exist. Nationalism and Unionism constitute live poles of the debate in Scotland and - except in

cases of exceptional opinion polling - Unionism still wins. However, he is right that there is a question beyond that: have the Scots so damaged the Union by their demands for special treatment without considering what effect its granting would have on the dominant English, that they must now experience a backlash? Will England conclude - as he wishes it to conclude - that without the Scots, it could be richer and more self-confident? That the Union is, or should be, over - from the English point of view?

Heffer inhabits a different political world from mine. In little asides - as when he alludes to "the growing intensity of national decline", or claims that the EU has an "enduring project to obliterate national consciousness" - he seems to retreat to a cast of mind of melancholic reaction.

While the English remained indifferent to the Union, Scots raiders have been busy carting tax-payers' loot over the border

held in civilised check but nevertheless available for a much more savagely dystopian view of the present than the one he gives in an essay limited to a narrow theme. But for all the superficialness of the prose required to make of his point a book, he is correct on the point. There is an English question; and if he is asking it, others can too.

Kevin Davy's book is another world away from Heffer's. It is cultural criticism at the service of a project to reveal Englishness to England; to prove that England must become (as he puts it, following the philosopher Julia Kristeva) "a nation of strangers" in order to escape from the myths about itself which make it fatal to its citizens.

He does this by taking six figures - the writer J.B. Priestley, the rock star Pete Townshend, the designer Vivienne Westwood, the

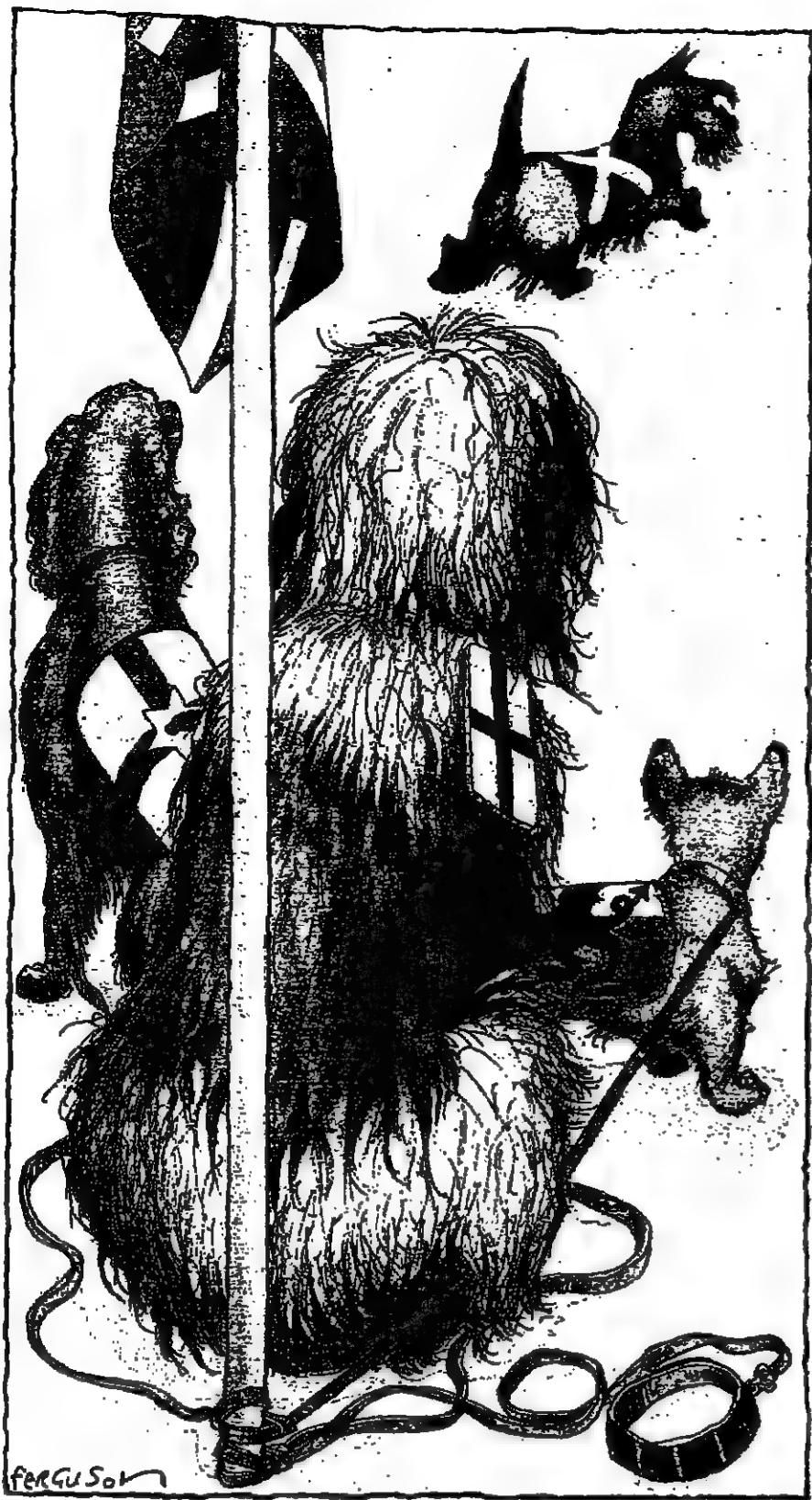
avant-garde publisher and writer Nancy Cunard and others - and tracing in them a reaction against Englishness (or Britishness). This reaction was usually because they saw it as racist, or mixed in ancient imperial rituals, or closed-minded and philistine.

Cunard, of the shipping family, saw the English ruling class of which she was a member as emanating a "stultifying hypocrisy"; for Priestley, writing in the 1930s, "we are not a democracy, but a plutocracy roughly disguised as an aristocracy"; Pete Townshend told an American interviewer in 1968 that "England has got all the bad points of Nazi Germany".

Davy's weakness is that he seems to accept all this at face value, and that he tends to believe that states of affairs come about because of conspiracies at the top. In a discussion of Townshend's milieu, he says, "After the first panic, Anglo Britain adjusted to rock and roll. The domestic music industry Anglicised the formula, muting its eroticism and hedonism." This is implicitly to conceive of the "domestic music industry" consciously and purposefully diluting a message - according to an autonomous agency to the audience, whose tastes and demands were changing rapidly and who enforced corresponding changes on the music with which they were served.

He touches, though, on themes of subjection and discrimination which underlie the established culture and which are generally unacknowledged by it. The book does not do what it claims; it does not show us how to "live with difference" through the attempts of his six chosen characters to find an alternative national path.

Yet where Heffer hammers relentlessly at a few thoughts, Davy spins off a cascade of ideas, in many cases half worked-through but often worth considering, some of which merit more serious reflection than he gives them. Relatively speaking, the English have not been too bad at living with difference; but they will have to live with a lot more soon, and it would be good to have better guidelines for what we might expect of them, or they of themselves.



When Stefan Collini published a vitriolic attack 10 years ago on the academic bureaucrats' fashion for "quantifying" research in the humanities (evaluation by counting pages, frequency of citation in other peoples' footnotes, etc), he was overwhelmed by a flood of letters expressing "delight". It is a fair bet that this was occasioned not only by the fellow-feeling of beleaguered dons but by sheer pleasure in the spruikery with which he attacked the subject.

Collini himself transcends the usual boundaries from his commanding vantage in the Cambridge English Faculty, but he is best described as an "intellectual historian" - in both senses of the phrase. And what he writes best about is intellectual imposture, which he skewers again and again in the pages of this coruscating collection.

The word "intellectual", a traditional object of suspicion in England, is awarded here the close attention it deserves. Collini has a clear idea of what an intellectual's calling entails: significantly, some of his sharpest barbs are reserved for John Carey's "irreparably shoddy"

No intellectuals please - we're British

Roy Foster assesses a coruscating collection that skewers imposters and exposes evasive flannel

ENGLISH PASTS: Essays in History and Culture

by Stefan Collini
DUP £40/£3.99, 360 pages

book *The Intellectuals and the Masses*, which was devoted to proving, à la Paul Johnson, and at the expense of recognising context or irony, what untrustworthy chaps those intellectuals are - an exercise that involved, *inter alia*, grouping Hitler with T.S. Eliot and George Steiner. "Anti-intellectualism has always been available on tap at the saloon bar," Collini adds, "but it is sad to find a professor of English who is so desperately keen to buy his round."

He is equally stringently about Gertrude Himmelfarb's bizarre use of crime and divorce statistics in *The Demoralisation of Society* in an effort to rehabilitate sup-

posed "Victorian virtues": again, short weight is being given, and a job is being shirked.

But Collini's idea of the intellectual's function is not "highbrow" in the pejorative sense that comes so readily to the more blimpish side of criticism in this country. He regretfully compares the prevailing attitude towards "the general reader" to that aroused by the neighbourhood cat: its existence evokes sympathy, but we're certainly not going to provide for it ourselves.

However, he is dead against "academic" being taken to equal "unreadable", and while he wants to decode ideas in their historical contexts, he approaches his subjects with an eager attention to their humanity. Look no further than his discussion of sex in Bertrand Russell's first marriage.

"Alys seemed to think they might on the whole manage not to have much of it," Russell, by contrast,

regarded it as A Good Idea, though he prospectively referred to the experience in the kind of it-would-be-good-to-do-it-ones-to-know-what-it-felt-like terms most people would reserve for experimenting with a new drug or making a parachute jump. He didn't really begin to discover the force and requirements of his sexuality until

he was almost 40 (and of course some of his subsequent behaviour had the unmistakable stamp of someone trying to make up for lost time).

Collini is also unafraid to categorise Russell's paternal grandmother as "a joyless and obstinate old bitch". If this is intellectual history as it should be written, let us have more of it.

Most of all, Collini is inter-

ested in appositions and reputations. Russell is considered along with Darwin (in terms of youthful promise and adult achievement); Trollope accompanies George Eliot; Raymond Williams squares up to Richard Hoggart and, most excitingly, the historians Lewis Namier and Elie Halévy partner each other

in "Idealising England". In this essay, as in a long consideration of Isaiah Berlin, Collini attends to the appeal of England and a notion of "Englishness" for outsiders - especially exiled Jews, like Namier and Berlin. Namier is exactly Collini's kind of aphorist "Marx! Marx! A typical Jewish half-charlatan who got hold of quite a good idea and then ran it to death just to spite

the Gentiles") but he also appears as a quintessential intellectual in politics, notably regarding his Zionist activities. Finally, he "created a significant role for himself as an intellectual largely by writing about the history of a country he admired for not having intellectuals."

This lays bare several layers of misapprehension, an operation at which Collini excels. He repeats Halévy's ironic description of the Edwardian era as "that great epoch during which the British people cherished the splendid illusion that they had discovered in a moderate liberty, and not for themselves alone but for every nation that would have the wisdom to follow their example, the secret of moral and of political stability."

The way the English conceive of themselves, and the intellectual (or non-intellectual, or anti-intellectual) stratagems whereby they disseminate their concep-

tions, lie at the heart of this book and illuminate critical pieces on G.M. Trevelyan and R.H. Tawney - as well as governing Collini's reflections on the inescapable borrows of Raymond Williams. Evasive flannel is coolly exposed (such as Tawney's pulling Christianity out of a hat to conceal a certain vacuity in the conclusions of *The Acquisitive Society*; so is high-mindedness for its own sake, whether employed by the left or the right. Indeed, one of the advantages of the book is that it is quite difficult to know where across the political spectrum to place the author.

Significantly, the figure whom Collini begins - one suspects - by wanting to take down a peg or two, but ends by awarding more uncritical approval than anyone else in the book, is Isaiah Berlin, who pinpoints the confining and inhumane effects of abstract philosophical "systems", but

still defined an intellectual as "someone who wants ideas to be as interesting as possible". That word again. "What seems to me," Collini concludes, "to have been the most consistently admirable and distinctive thing about his writing has been its engaging and resourceful campaign to prevent intellectually from conquering and laying waste lands that are properly the territory of emotional or aesthetic or other human needs."

A similar ambition lies behind much of this book. Anthony Trollope, to whom Collini does perhaps less than justice, once remarked that dullness was the "line" of the English, and cleverness that of the French; woe to his countrymen, he added ironically, if they ever lost sight of this salient fact. In *English Pasts* Collini not only explores the background of this cliché, but shows the services to which - for better or worse - it is still put.

IN BRIEF

Language as a weapon in the struggle for justice

When W.H. Auden plucked the young American poet Adrienne Rich from obscurity in 1951 by choosing her first collection of poems for the Yale Younger Poets series, he did so with paternalistic condescension. And yet his praise were not too wide of the mark in those days.

What is remarkable about her, and it is much in evidence in *Midnight Salvage Poems* (Norton £14.95, 75 pages), this 17th collection published in the year of her 70th birthday, is the distance that she has travelled since that time - into one of America's most passionately committed poetic voices.

But committed to what exactly? To the idea that poetry at its most exacting must be a comprehensive engagement with the world in order "to face the terrible with hope, in language as complex as necessary, as communicative as possible - a poetics which can work as antidote to complacency, self-involvement, and despair."

For this poet, language is a

weapon in the endless struggle towards justice, self-knowledge and public enlightenment, and not, as for so many others, a means of withdrawing from the world into lofty moods of meditative reverie.

The poems themselves, metrically loose-limbed, taking as their defining measure Charles Olson's notion that a line should be as long as a human breath, are spoken in a patchwork of clamouring voices, and they incorporate, as so often before, material from books, newspapers and journals.

Some of the lines imaginatively re-enacted here are, in Rich's opinion, exemplary ones: Brad Chay, for example, the French poet and resistance fighter, whose life combined with social conscience: "you were never just the poet appalled and transfixed by war you were the maker of terrible delicate decisions..."

For Rich, this temptation to be seduced by the actual, the visual, is an ever-present danger. Language, for any writer, can be

lush and luscious, and that way lies temptation and the possibility of corruption. The poet, ever watchful, must rise above the dangers of self-regard and solipsism. It is the world that must be engaged with, through honest and honest language, and not the self alone.

And what is the significance of that title, *Midnight Salvage*? This sequence of poems, the longest in the collection, is a prolonged act of self-questioning: reflecting back upon her own life, Rich probes her decisions, her expectations, her revolutionary impulses as a poet, past and present. To what extent has she remained true to herself? And can anything of beauty be salvaged from the world at this late, critical hour? Will more poetry suffice to her testament? Only readers can answer that question.

Michael Glover

Rambling in Iceland

Tim Moore, a suburban thirty-something magazine writer, stumbled across the account of a Victorian journey by Lord Dufferin, a scion of the Guinness family, and decided to retrace his steps across Iceland, Norway and the Arctic sea to Jan Mayen and Spitzbergen. Why Moore thought this was a good idea is a mystery - not least to Moore himself, who

seems to loathe all methods of transport.

It takes time to warm to Moore as we follow him on his footstepping of Lord Dufferin. The trip, and hence the book, *From my Mountainside* (Abacus £10.99, 280 pages), seems a pointless, dilettantish thing to do. He takes a while to get into his jolly, chatty style of writing and in a few places it seems rather forced - the kind of thing, perhaps, that sounds funny if you're a bit drunk at a dinner party but to the sober listener just sounds like the ramblings of a self-important prat who thinks he's being witty.

However, my sympathy for him rose dramatically as his journey - neatly subtitled "The Arctic Exploits of a Lord and a Loufer" - progressed. "Boats, I concluded, were shit," he wondrously remarks at one point. As he buckets towards Iceland on a container ship, Moore provides modern travel literature with what must be one of the most vivid and heartfelt descriptions of seasickness ever written. Only the most hard-hearted could fail to be sympathetic.

Indeed, it is his description of the miseries of his journey that eventually makes him less annoying. After his arrival in Reykjavik, he sets off to cycle across the volcanic interior with Duffin, his Icelandic brother-in-law, an expedition his wife has dubbed "Beavis and Butt-head to Iceland". Given that the preparations for this leg of the journey involve buying five packets of dried fruit, two bars of chocolate and a

pair of cycling shorts, you see what she means. The bike trip itself throws up such horrors as an outside loo at a hostel that has Duffin, a doctor, returning with a hunched look. "That is worse," he said vacantly, "than anything I saw in seven years of medical training..."

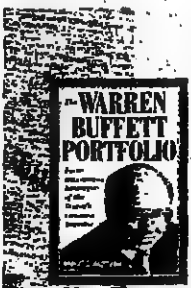
This first part of the book, in Iceland, is the best. Moore knows the country, being married to an Icelandic, and thus allows himself many disparaging remarks about the place. The rest of the book - like the rest of the journey - feels rather mawkish. That's not to say it doesn't have its very funny moments, but the parallels with Dufferin get more strained, and the expedition seems more pointless.

Moore's attempt to get to Jan Mayen, a volcanic outcrop north of Iceland, is stymied by the weather; while Spitzbergen, even further north and more Godforsaken, results in a few rambling chapters that reflect how tedious Moore found his time there. He seems to have spent the 10 days whingeing about the cost of the booze, going on ill-advised expeditions, and worrying about polar bears.

Nonetheless, the book is funny enough to provoke audible chuckles, and a nice addition to the Grumpy British Traveller sub-genre of travel writing. The title, incidentally, is explained in one of the funnier passages: it refers to a joke so obscure and obscene that it doesn't bear repetition.

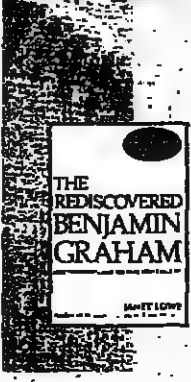
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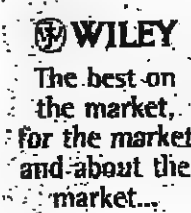
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ARTS



This is a museum in which exhibits may feel superfluous; it tells an unforgettable story all by itself. Daniel Libeskind and the exterior of his Jewish Museum in Berlin

Cathedrals for our times

Museums are behind the most stunningly innovative new buildings today. Ralph Rugoff meets Daniel Libeskind, architect of Berlin's Jewish Museum

Over the last decade museums have emerged as the cultural sex object of the late 20th century. Boasting high-profile programmes and the broad appeal of sporting events, they have reinvented themselves as a glamorous mass medium. And the museum building has been a key element in this. It has come to embody our aspirations and history with a verve found nowhere else in contemporary architecture. It is truly the cathedral of our time.

Along with Frank Gehry, Polish-born architect Daniel Libeskind stands at the forefront of this extraordinary resurgence in museum design. His Jewish Museum in Berlin - his first completed commission, incidentally - is one of the most profoundly moving and stunningly imaginative buildings of the century. In unprecedented fashion, it was opened to the public in late January with nothing in it. Exhibits won't be added for another year. But this is a museum in which exhibits may feel superfluous. It tells an unforgettable story all by itself.

Like Gehry's much-feted Guggenheim Museum in Bilbao, Libeskind's building boasts a unique exterior. Its zinc facade unfolds in a series of crisp angles, zig-zagging across the landscape. Embedded strips of windows race across its reflective surfaces in a helter-skelter of broken diagonals. A slinking garden of 49 concrete columns, each of which sprouts into an olive tree, tilts at a disconcerting angle. Placed next to the staid 18th century Berlin Museum, it shines with a high-flying, yet highly disciplined, poetry.

Unlike Gehry's Guggenheim, Libeskind's building is also deeply involved with a specific history - the cultural history of Berlin's Jews - but there is no hint of

memorial to its brazenly innovative appearance. The eccentric lines of its window scheme does invoke a lost past, however: seemingly random, they in fact derive from a map Libeskind made, connecting the addresses of culturally significant individuals, many of them Jews, in pre-war Berlin.

This is a building that asks us to make connections, but the architecture never dictates its themes. Not even in the five concrete "voids" - unheated, dimly-lit, dead-end spaces forming a hollow core along the building's central axis. Several can be entered; others can only be crossed on black bridges linking the exhibition galleries. But the voids themselves will remain empty to commemorate the loss of Berlin's Jewish population, and to initiate, as Libeskind says, "a dialogue between what can be shown in a museum and that which can never be shown. No matter how many objects can be brought together to show Jewish history in Berlin, you can never show that which has been totally annihilated. You won't be able to close that void, not even in 100 years."

But Libeskind, who speaks in a delighted rapid-fire delivery, is quick to point out that he has not designed a memorial. "This museum is not just about mourning, but also shows the incredible ups and downs of Jewish history, and spans both sides of the German/Jewish story. You can't separate one from the other. When you see how incredible their contribution was to Berlin, the need for mourning becomes even more apparent."

Indeed, the Jewish Museum boasts some of the most exhilarating rooms ever unveiled in a contemporary museum. Galleries unfold in exuberantly irregular

configurations, with walls converging at unpredictable angles. The effect is disorienting but never disheartening: one feels lost at times, but there are always escape routes in sight. And the idiosyncratic windows, outlined in black, form an enchanted alphabet of shapes that career from one room into the next, and lay dazzling patterns of light across the floor.

Even the principal void, a concrete tower specifically dedicated to the Holocaust, is not necessarily a space reserved for grief. Unheated, uninsulated, and featuring a soaring pitch-black ceiling, it is lit only by a narrow slit of a

of hope is part of my architecture." In conversation, the 63-year-old architect seems animated by a buoyant optimism, punctuating talk of his future projects - his controversial Spiral building for the Victoria & Albert Museum, and Manchester's Imperial War Museum of the North - with flashes of his 100-watt smile. Both museum buildings are bold, eye-catching statements, instant architectural landmarks on a new frontier. Yet despite the excitement, and fierce protest, which they have aroused, Libeskind does not see himself as an aesthetic radical.

"I was never interested in Modernism," he says. "I prefer the spaces of tradition, spaces which articulate a story and have nothing faceless about them."

His designs for these next two museum projects certainly suggest dramatic conflicts. The Spiral, on which he is collaborating with structural engineer Cecil Balmond, calls for a continuous wall to wrap around itself, overlapping and interlocking as the building ascends in jerky rhythms, as if bearing witness to the intellectual tensions and imaginative leaps that fuel all worthy museum programmes.

"I don't think it's necessary to make a museum only as a container for precious objects," Libeskind says. "I think people want something which is no longer a dogmatic, didactic and artificial presentation, but an experience, a seamless excitement from the moment they enter until they leave. It has to be not just intellectual, but emotional, and it has to appeal to your senses."

His plans for the new War Museum in Manchester aim to do precisely that. To underscore the global nature of modern conflict, the exterior will suggest shards

from a shattered globe, while its vast interior will feature gently undulating floors to keep visitors on their toes during multi-media presentations, some of which will be projected directly onto the ceiling.

Both the Spiral and the War Museum have been designed for a new breed of museum programming: flashy, high-tech displays, often with interactive components, that are meant to hold the attention of generations raised on Nintendo. If not conceived with imagination, however, such programmes can be a recipe for disaster. They may grab our attention without ever reaching our hearts and minds.

So Libeskind's involvement with such projects is a strange match in some ways, as his architecture pays close attention to emotional concerns. His growing practice, however, is no longer limited to museums. His Berlin office has recently won competitions to design a concert hall in Bremen, an urban planning scheme for Berlin, a new University in Guadalajara, and he will soon begin work on his first domestic project, an artist's villa in Majorca.

Each project begins with astute research in how the building can respond to a unique set of needs and a distinct location. "Today people want their clothing and their food to be more catered to their specific tastes, and the same is true of buildings. They don't want the mass-produced standard, but something which they can relate to their own desires. I think architecture in the next century will be more tailored to respond to those," Libeskind concludes with an optimistic grin, as if imagining a 21st century of his own design. "In fact, I'm sure of it."

TELEVISION CHRISTOPHER DUNKLEY

Up the greasy pole of Balkan politics

There is a moment near the beginning of today's *Correspondent on BBC2* when it becomes quite difficult not to admire Slobodan Milosevic. We see him in Kosovo addressing a meeting concerned with the supposedly unfair treatment of ethnic Albanians. A near riot develops in the street outside, the Serbs begin to stomp the mainly Albanian police, and Milosevic, though clearly scared, goes out to try to calm them.

This, it seems, was the key moment in the transformation of Milosevic from Communist *aparatchik* to Serb saviour. Challenged by an emotional old man in the crowd complaining about the way the police treat the Serbs, Milosevic murmurs, clearly spontaneously, "No one should beat you". He repeats this in front of the microphone, and the rest is history. It would take an iron-hearted viewer not to have some small regard for Milosevic when he goes out to face the stones.

Yet it is the only moment to prompt such feelings in an excellent 50-minute programme. Reporter Phil Rees and producer Frank Smith create a bizarre yet vivid picture of "Sloba and Mira", Milosevic and the childhood sweetheart who became his wife, conveying the clear impression that they are cynical, though fairly simple, political animals with just one aim: power.

Their personal story is weird and alarming. We hear that Milosevic's father, mother and uncle all committed suicide, and that Mira's grandfather ordered the execution of his own daughter, Mira's mother, for betrayal during the second world war. Those who know the couple report that, throughout his life, Milosevic has telephoned Mira as often as eight or nine times a day, the claim being that she was always the real political force. Yet it is also said that he habitually addresses her as his little bunny rabbit or pussy cat, and she regularly bursts into tears during private political conversations.

The strongest elements in the programme are the interviews with people such as Covic, former mayor of Belgrade; Stambolic, a member of the old Communist hierarchy, and the newspaper publisher, Curuvija. All started as colleagues and even friends of Sloba and Mira, but all have found themselves used, abused and betrayed as the couple climbed the greasy pole of Balkan politics. Listening to Curuvija, you think "Surely he can't say things like that and remain in the country?" Sure enough, the programme ends with the revelation that he was murdered just as it was being completed. Television has provided too few good analytical

coverage of events in Yugoslavia. By investigating the personalities of these two people, this admirable programme goes a considerable way towards putting that right.

There are few comparable advantages to the profiles of two other politicians screened tomorrow. *Now We Are Two: The Real Peter Mandelson* on Channel 4 is a highly professional piece of work in which Donald MacIntyre, who has written a biography of Mandelson, investigates his childhood, school days, and rise through the Labour Party.

There are interesting revelations. As a teenager Mandelson was no lover of rock music but an Andy Williams fan. He joined the Young Communists and sold the *Morning Star* outside Kilburn tube station. (The programme confronts two

The programme creates a bizarre yet vivid picture of 'Sloba and Mira'

teenagers selling the paper there today and reveals the identity of their predecessor, to their consternation). As head of communications in the Labour Party he would phone programme editors to complain about reporters while they were still on the air, and so on. It is not hard to see why some people dislike him so much.

And yet, so far as the essential aspects of his character are concerned, Mandelson remains an enigma. Does he want to be prime minister? What does he feel about being homosexual? Is Andy Williams still his chief cultural interest? Is he a Europhile? What does he really think of the Mandelsons? If MacIntyre knows, he has kept it all for the book.

We learn even fewer fresh facts about Lord Gowrie, who is the last subject of the Channel 4 series *The Establishment*. His relationship with Margaret Thatcher is certainly interesting, especially if it is true. He claims that as her minister for the arts he would attack the great and the good such as Peter Hall when they criticised her, whereupon she would say "Very good, dear" and let him have more money for the arts. It sounds barfy enough to be true. But the hint that he blames Jeremy Isaacs for the troubles at the Royal Opera House is not followed up, and the programme has little to say about the Arts Council and lottery money. Personalities may well provide the best gateways into politics for television, but it still needs outstandingly good programme making for even this to be effective.

Sound echoes uncannily. It is a disconcertingly visceral environment, one where you become aware of your heart beating

skylight. One corner is so acutely angled as to be physically inaccessible. Sound echoes uncannily. It is a disconcertingly visceral environment, one where you become aware of your heart beating. But it does not present objects of mourning, nor tell you how you do respond. To some it may evoke the claustrophobic, hopeless spaces of the death camps; to others it may be a place to reflect. Or even, oddly enough, a place of hope.

Libeskind had originally considered having the void completely enclosed, "but in the end," he says, "there is a thin gap of light because even in the bleakest of situations we cannot definitively say that history is over. There is always a line of hope. And that line

Moving drawings

William Kentridge makes cartoons with a difference, writes William Packer

William Kentridge is an artist, principally a draughtsman, whose exhibition now at the Serpentine consists of two continuously-running recent video and animated film pieces, and an anthology of earlier films lasting about half an hour, with only a handful of large drawings in the entrance hall.

This is, in one way, a disappointment. Kentridge, now 44 and one of the most interesting artists to emerge from South Africa in recent years, is a powerful draughtsman in his latter-day Expressionist manner, working for the most part on as large a scale as is practicable for works on paper. His strong and densely-worked narrative drawings have an extraordinary physical presence, and one longs to see more of them for their inherent qualities, at once crude and delicate, simple yet rich, and for the wit and acuity they display of observation and description.

Yet for once I found myself sitting through the run of his films and was glad I did so. I did this before looking at the few drawings, which is I think the right order of things. For the point of Kentridge's work is that

he is indeed a narrative artist, a story-teller above all else, and while his drawings stand well enough by themselves, each one sufficient and resolved within its own terms, they are also the stuff of his work as an animator, made to serve the particular story he wishes to tell. He is also very much the moralist, sometimes obliquely so, sometimes wry and darkly funny, sometimes over-oblivious and heavy. We should not forget that he is a South African from Johannesburg, and the 10-year span of this survey of his more recent work embraces dark and dangerous times.

His first degree was in politics and African studies. He took to art, with print-making his major interest, only in the later 1970s. Then in the early 1980s he went to Paris to study mime and theatre, working for a while in film and television production. He returned to drawing as his principal activity in 1986 and it was then that he began to exhibit widely. His work was seen in England for the first time in 1987, at the Vanessa Devereux Gallery in a show called, with somewhat arch significance, *In the Heart of the Beast*. And in 1989 he made



Serious, but oddly entertaining: 'Felix in Exile', 1994 by William Kentridge

his first animated film, *Johannesburg, 2nd City after Paris*, in which he introduced his tycoon character, Soho Eckstein - which, at the Serpentine, is where we come in.

Thus, by the end of the 1980s, all the distinct elements and interests that would form him as an artist had come together, and as they have remained ever since, resolved into a coherent and effective working whole - the graphic understanding and sophistication; the idiosyncratic manner; the theatrical and cinematic narrative model; and above all the modern history of South Africa as the essential subject. We have together

from being an imposed device, it seems to grow from the very process of drawing itself. The image is not repeated as is usual, with shifts of gesture or position caught by marginal alteration, but rather it is added to and then rubbed out, moved and modified on the single sheet. It grows and fades, comes and goes, with the traces of this history left like a ghost upon the page. Nothing could emphasise more effectively the physical, objective presence of the drawing, or the physical nature of drawing itself.

The more recent works, the triple-screen "Ulisse: Echo scan slide bottle", with

its images of desolate streets and motorways, drips and ventilators, surgery and body-parts, and its over-riding sense of returning home to die, and the more actively desperate and sardonic single-screen montage, "Ubu tells the Truth", both of which combine video footage with animation, have a more conventional cartoon quality. But they share the sense of loss, desolation and despair which informs all the work, with its sustained imagery of rapacious business, of toppling tower-blocks, of mines and camps that hark back to the forced-labour and extermination camps of the Nazis, and always the tolling, striving, marching masses.

That said, it sounds bleaker than it is, for it is a measure of Kentridge's judgment and deftness of touch that his work should be so oddly entertaining even as it is so serious. There are moments when it is very funny.

William Kentridge: *The Serpentine Gallery, Kensington Gardens, London W2, until May 30; sponsored by Investec.*

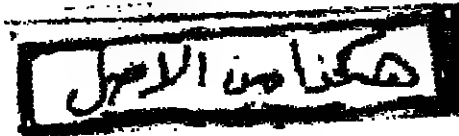
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ARTS

Bitter taste of slave labour

The sweet life for a few came at the cost of mass murder and torture, says Jackie Wullschlager

Would you give up sugar in your tea to save an unknown person on the other side of the world from terrible suffering? Today, in our age of long-distance travel, global information and awareness of human rights, the question makes sense, but when the poet Southey attacked "Ye who at your ease/Sip the blood-sweetened beverage" in the 18th century, the suggestion that gracious Georgian living was bought with blood money from slavery was radical and threatening. Yet there is no doubt that, as a contemporary commentator wrote, "the pleasure, glory and grandeur of England has been advanced more by sugar than by any other commodity".

The sweet life for a few came at the cost of mass murder and torture. The scale of the atrocity still astonishes: 12m slaves transported from Africa to the Americas in the 18th century, with possibly as many again dying en route or before they even reached the ships. This makes the slave trade one of the ugliest episodes in human history, equal to the Holocaust or Stalin's crimes, and with ramifications which echo down the centuries until our own times, and have still to be fully examined.

A Respectable Trade is a harrowing new exhibition at the City Museum of Bristol, a town whose wealth and Georgian splendour is built on its slave history. Timely and important, it opened within weeks of two significant political events: nationally, the publication of the Stephen Lawrence Report; and internationally, the attempt to save the Kosovo Albanians from destruction by ethnic cleansing.

By taking a broad perspective and yet fixing on a seminal moment in the history of man's attitude to man, the show raises fascinating issues - about the basis of our ideas of freedom and the individual, about the nature of evil, about how racism evolved, about the links between barbarism and economic expediency.

Too often, accounts of slavery acknowledge the inhumanity of the system but fail to convey the nature of the suffering by ignoring personal stories and specific cultures, somehow implying that the Africa from which slaves were torn was a primitive blank. Much of what we understand



Slave trading: to deprive them so wholly of human rights, their owners had to persuade themselves that the slave did not rank as human - just what the Nazis told themselves about the Jews

about the Holocaust comes from individual witnesses who become symbolic, such as Anne Frank; slavery does not have its Anne Frank. But this exhibition succeeds by bringing to life not only particular slaves and their histories, but the different African cultures from which they came.

Through paintings, film, videos, documents and mock-ups of different locations, it recreates all three realities of the notorious "triangular trade": luxurious Bristol drawing rooms; Caribbean and South American plantations, and life on the African "Gold Coast" and villages and towns where the British captains found their slaves.

"We are almost a nation of dancers, musicians and poets", wrote Olaudah Equiano, a slave who obtained his freedom and wrote a compelling account of his life in 1789. Social hierarchy in the large African states encouraged artists and craftspeople because rulers wanted beautiful

objects as a mark of status, and entertainers to grace their ceremonies. On display are jewellery, musical instruments, masks, weapons, dolls, an oware board, a game of strategy and mental arithmetic, from the Assante, Igbo and Yoruba peoples, as well as documents evidencing the sophisticated

The Bristol exhibition raises fascinating issues about the basis of our ideas of freedom and the individual, about the nature of evil, about how racism evolved, and links between barbarism and economic expediency

trade networks and currency systems across the continent.

In a reconstruction of a 430-ton sailing boat, with slaves packed together so closely in the hold that they could not even move to reach the toilet buckets, the life stories of a few of those on board are told. Olaudah Equiano explains how he and his "dear

sister" were snatched while guarding the family home, their hands were tied and they were marched to the coast and separated; on board the ship to America, "the shrieks of the women and the groans of the dying rendered the whole a scene of horror almost inconceivable".

A woman describes how, in a gruesome version of the Pied Piper myth, villagers were lured with pieces of red cloth - unknown in her part of Africa - by "strangers with pale faces". The "black folk grabbed for them", larger and larger pieces were dropped on the way to the river, then on the plank of a boat; when the traders "had got as

many blacks on boards as they wanted", the gate was chained up and the boat sailed for the coast, leaving an empty village. Slaves were more often bought in exchange for goods than kidnapped by whites, with black traders frequently involved in the traffic, but, as the slave Otto-

just 10 per cent was considered a good return. On another reconstructed ship, you can read the account books and turn the captain's wheel to imagine yourself on different voyages, then guess whether or not they made a profit, opening a port hole to find the exact calculation. On "The Prince of Orange" in 1736, for example, were 273 slaves, 100 of which jumped overboard rather than face slavery; 33 drowned but "more of them were taken up almost drowned, some of them died since, but not to the owner's loss, they being sold before any discovery was made of the injury the salt water had done them".

The "Juba", sailing in 1787, with the ship and its cargo of barter worth £4678, reached Old Calabar where the captain bought 250 "prime slaves". Ivory and barrels of palm oil; after a 13 week trip to St Vincent on which many slaves were flogged and raped and 49 died, the remainder

bah Cuguano wrote, "if there were no buyers there would be no sellers". It is the financial motive that emphasises what Hannah Arendt called the "banality of evil". It was not just fat merchants and plantation owners but small traders, Bristol townpeople who invested in a single box of goods, who stood to gain; and, despite great risk of loss,

Correspondent, described being examined by an official in Burma while in disguise as a tourist, just as his face flashed up on a television screen identifying him as a reporter - the official failed to notice. There are still real people in the BBC, still testing the boundaries. Yesterday was UNESCO's World Book Day. It was the birthday of Shakespeare and Cervantes. In some parts of Spain they exchange books by both these authors as gifts. I am unsure if the majority in Britain reads Shakespeare or knows who Cervantes is. It was also St George's Day. Apart from *Friday Night is Music Night*, the media which go berserk for St Patrick, David and Andrew largely ignored the fact. The new BBC's exquisite agonising over the distinction of the former Britain continues its odd myopia when it comes to England.

Consider Sir John Drummond. He toils not neither does he spin - in itself a staggering reflection on this country's waste of its cultural talent - yet neither Sir Colin Southgate in all his glory nor Gerry Robinson in all his floundering factual mis-statements is arrayed in such shrewd artistic perception and experience. This cultural *de Gaulle* languishing in the Colombian-aux-Doux Egilises of Blariff Philistia, is at least audible on the airwaves. In a world of government placemen slumped into cultural organisations of which they understand little, of a craven BBC shuffling a Baroli recital into a post-midnight TV slot which means they don't have to publicise it (someone should tell the poor dears she's the biggest thing since Pavarotti, and almost as pretty), in a Radio 3 which projects Joan Bakewell's bland

RADIO MARTIN HOYLE

In search of gleams of adult intelligence

bleating through the land, there are gleams of adult intelligence. It's a small thing, but it's a start. *A Price Worth Paying* is a series on the extraordinary blossoming of opera in Britain in the last half-century, a period that has seen the once unthinkable formation of world-standard performances based in Leeds, Cardiff and Glasgow as much as in London. Drummond asks sensible questions of appropriate people who are as absorbing as the music they are singing. As broadcasting technique, one would have hoped it was

elementary; but it is a sign of how far the BBC has fallen in such matters that the series' informativeness and clarity come over as exceptional. It was fascinating to hear that David Pountney conceived his epoch-making production of *Dvořák's Rusalka* in a taxi between the theatre and his home. Sir Harrison Birtwistle's insight into creativity was even more oblique: composing *Gaetano* was a matter of having "to get that horse on stage somehow... I've got to write the bloody opera to go with it." Not that all is cosy. Two weeks ago we heard the pompous tones of a farmer

Opera North spokesman whose exquisite tunnel vision ("It never occurred to me we would never put on what I decided") subsequently graced the Royal Opera and now brings the opera-as-box-of-rarefied-chocolates to ENO, to the concert of those of us who value the true people's opera. The ENO's music director, Paul Daniel, was also vaguely disturbing. Not because he could possibly mean his wish that one day all culture will be new and newly made, but that he is so woolly-minded as to utter a plainly unthought-out aspiration. (No Shakespeare,

Verdi or Mozart? No point to art galleries or museums?) It smacks of cultural Blairism, as bland as the ingratiating grin that seems a characteristic of Daniel as of the prime minister. One begins to suspect a *Night of the Living Dead* scenario, where aliens have taken over what were once human beings. Nor is that former guarantee of gravitas, *The Reith Lectures*, reassuring. This year the mantle has fallen on Anthony Giddens of the LSE, a favourite of Blair himself. His theme is globalisation, for which he gave us the foreign words (the French is "globalisation"). You get the

point when you hear it spoken). The subject seems to mean what you want it to mean, and to be honest I am not very clear, perhaps because Giddens fails to make it interesting. Just as Blair's boyishly intense sincerity evokes a double-glazing salesman, so Giddens is a travelling rep in lectures. He went to Hong Kong to talk about risk and Delhi to talk of tradition (he was against it, which explains the plastic quality, the nondescript rootlessness of his manner). In *Hookers* he was introduced by the great Matt Frei who, in a recent *From Our Own*

COMPACT CHOICE ANDREW CLARK

GYORGY LIGETI: LE GRAND MACABRE
Philharmonia Orchestra/
Esa-Pekka Salonen. Soloists,
London Sinfonia Voices
Sony Classical SIK 623 12

Draw up a list of operas which have joined the repertoire since the war, and after Britten and Henze you'll be scratching your head. But a quick run through opera house schedules of the past 20 years reveals one more candidate: Ligeti's *Le Grand Macabre*, premiered in Stockholm in 1978 and since

treated to at least 15 productions, including English National Opera's in 1982. I have seen a good number of them, and can testify to the opera's capacity, like all great works of art, to withstand a variety of interpretation.

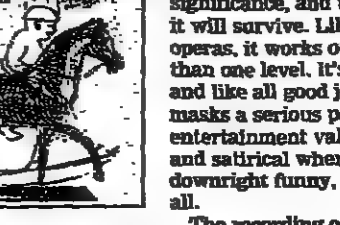
Sony Classical's new recording, the eighth instalment of its complete Ligeti edition, is based on the latest of those productions - a Peter Sellars version first seen at Salzburg in 1997, revived in Paris the following year and due to arrive at Covent Garden two weeks after its re-opening in December. The recording is an invaluable addition to the catalogue: together with an excellent cast, the Philharmonia Orchestra under Esa-Pekka Salonen brings an ideal mixture of swagger and precision to Ligeti's bizarre concoction of sounds. And it's sung in English - far more pitchy than the original German - and therefore likely to win a wider audience than Elgar Nowarth's 1987 Vienna recording on the poorly-distributed Wergo label.

The Sony version was stitched together from tapes of the Paris performances, and a certain amount of audience reaction is included - helpfully so, because *Le Grand Macabre* draws heavily on vaudeville and *Singspiel* traditions. It's fun, its bawdy, it can be quite lewd, the language is sometimes outrageous - but musically and dramatically it adds up.

It's no coincidence, however, that the accompanying booklet carries no pictures of the Sellars production, which turned Ligeti's subversive pantomime of death into a sick morality play. The composer himself condemned it, and Sellars's wilful adaptation of the text is corrected in the printed libretto.

Playing the clown with a serious subject, Ligeti presents a world where Nekrotzar, the grim reaper, gets distracted by Piet the Pot, where a court astrologer disposes of his wife after a bout of sadomasochism, and a pair of copulating lovers proclaims the merits of the eternal here and now. It's a

litany of inanities and profundities, a grotesque farce dressed in music of exquisite tone clusters and lyrical inventiveness. Free of stage distractions, you get a clearer idea of Ligeti's musical jokes and pure instrumental imagination. The played wind chords as the



Astrologer gazes into space are a vivid example; so is the music for Nekrotzar's return in Act 2 - a grandiose march past of pirouetting brass and woodwind. The recording also lays bare how episodic Ligeti's score really is. This is basically a "numbers opera", a medley of idioms and styles, arias and dialogues, all bound together by mood: that of the comic and the absurd. Hearing it as clearly

enunciated as this, you cannot fail to appreciate the wit with which Ligeti hears word-sounds, especially in the nonsense-vocabulary. Nor can you avoid - as you might in the theatre - the mid-century, mid-European skeletons which haunt the piece. Fascism, dictatorship, the holocaust lurk beneath the surface. But *Le Grand Macabre* refuses to drip with significance, and that is why it will survive. Like all good operas, it works on more than one level. It's a joke - and like all good jokes, it makes a serious point. The entertainment value, cynical and satirical when not downright funny, conquers all.

The recording convinces me that Ligeti's 1997 revisions were a mistake. He made a few cuts, changed the names of Spermando and Clitoria, and musicked almost all the spoken dialogue - apparently because he feared audiences would perceive the spoken passages as "empty spaces". That was never my experience in German-language performances of the original version. At one hour 40

minutes, the revised version heard on these two CDs has just about the same overall length, but by dampening the operetta-like flavour, Ligeti has ended up with something of a hybrid, more grand-operatic than the material aspires to be.

The doom-laden choral sound-effects work better here than they do in the theatre, and the comic repartee is captured with split-second immediacy - notably in the scenes involving Mr and Mrs Court Astrologer (Frøde Olsen and Jørd van Nes), where the French audience is keenly alert to the sexual innuendo. Piet the Pot finds Graham Clark in splendid voice, relishing the quick-footed antics of a part that could have been written for him. Willard White's sepulchral Nekrotzar sounds a bit too disengaged, but Laura Claycomb and Charlotte Hellekant make a blissful pair of lovers. Sibylle Ehlert's Chief of Secret Police nearly steals the show with her colouratura flourishes, and the Philharmonia proves that the hard work was indeed worth it.

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OFF-CENTRE

HOME TRUTHS PETER MILLAR

Uncovering the lost faculty for scholarly pursuit

It's not just youth that is wasted on the young; university is too. I speak from experience. Sitting in the 18th century splendour of the Radcliffe Camera library in Oxford with dusk falling and the gas lights coming on in one of the most beautiful squares in Europe, I was struck by a single thought: why hadn't I done this years ago?

The answer was simple: at the time I was too busy being a student to have time to study, let alone appreciate the simple pleasures of scholarship - even the dilettante sort that has occupied me of late.

It was an academic friend, one of those who spends a lifetime endlessly wondering whether to go out and see the real world, blissfully unaware of how distasteful it is, who first made the suggestion. I needed to find out about the Black Death for a novel.

Why not do the research at the Bodleian? The thought hadn't crossed my mind since the day, long ago, when I had queued up in "subfusc", the arcane Oxbridge uniform of dark suit,

white tie and gown, to take the oath that I would not "kindle fire" within Sir Thomas Bodley's library.

And there, to make the point, in that magnificent golden stone quadrangle, was Bodley himself staring down sternly in bronze effigy and puffed-up late 16th century pantaloons. That was the first and last time Bodley and I had been acquainted.

But the point was I had taken the oath. It would be three records. During my three undergraduate years I regarded libraries with little more than healthy suspicion. As a student of modern languages, the main faculty library was the Taylorian, austere and unwelcoming.

The college library was more convenient. Most of the time, I bought my texts, Balzac and Baudelaire, in editions de poche from Blackwell's. Gogol and

Dostoevsky, I confess, I read too frequently in Penguin translation.

But here I was, more than two decades later, renewing my acquaintance. Armed with nothing more than my memories, I turned up at the door of the Clarendon building, that great

pleased to learn that a lost lamb was returning to the fold.

"What year of matriculation was that?" she inquired. Ah yes, 1973. She gave me a smile that suggested surprise I could still walk unassisted. Within minutes, however, she had located a dusty tome thicker than the Domesday

engraved monastic plates.

In fact, it contained something almost as archaic: reams of 1970s lined and perforated computer print-out paper. It made me quite nostalgic. There I was once again, in hard copy, and who knows, maybe on an obsolete hard disc.

Stand there please. Look this way. Click, and the one disconcerting aspect of the process was over, providing me with a Bodleian Reader's card with an instant photograph of someone who vaguely resembled an ageing ex-convict.

It turned out to be just the ticket. After half an hour or so exploring the spartan splendour of the Bodleian itself, I set about looking for the books I needed. All, and more, were there. Finding them couldn't have been easier: the Bodleian is bang up-to-date. Computer terminals

give direct ISDN access on the internet to OLS (the Oxford Libraries Information Service). Books in the main Bodleian take a couple of hours (not as fast as the new British Library claims but light speed compared with the old British Museum round reading room).

The only items that take a day or more are pulp fiction (as a copyright library, the Bodleian receives a copy of every book printed), which are stored out in warehousing at the village of Nuneham Courtenay.

The books I wanted could not have been more accessible: the medical stuff was in the Radcliffe Science Library (request slips collected every hour, and books back within 30 minutes), while the history books were on open shelves in the magnificent camera itself.

A pint in the King's Arms

while the science books were brought back more familiar memories. And then to walk amid the smell of books and wood and the cheap perfume of over-stressed undergraduates studying for mods, and fall asleep at the desk.

Thence to the Camera in the falling twilight, across the cobbles and into a reading room as splendid as any on earth, with its great vaulted ceiling, stone stairwells and open bookshelves between the high classical windows.

And all around intelligent young people doing what I should have done years ago: working. Evelyn Waugh came back to haunt me: "Et in arcadia ego." Even if I felt like a pensioner.

Details of access to the Bodleian are on the internet at: www.bodleian.ox.ac.uk. The entire catalogue, plus those of other college and university libraries are available online at: www.lib.ox.ac.uk. Peter Millar's first novel, Stealing Thunder, is published by Bloomsbury next month.

A cheerful chap produced a tome that looked as if it should have been filled with hand-engraved plates

neo-classical portico on Broad Street.

The interior was not as grand or intimidating as I remembered. Somehow the grandeur of the architecture was tamed by the utilitarian nature of the seating, desks and paintwork. But I had no need to hang about. A charming assistant was only too

Book and found me in the small print; Millar PJ, Magdalen 1973.

It was like coming home after a long journey and finding one's old room unchanged. From there I moved to a second desk where a cheerful young chap produced an even larger, dustier tome that looked as if it should have been filled with hand-

Grey areas in a white universe

Tracy Corrigan charts the struggles of Joseph Jett since Wall Street branded him a rogue trader

In his elegant dark suit, the neatly-groomed Joseph Jett looked like an identikit Wall Street investment banker when we met at a branch of the Starbucks coffee chain in the heart of New York's financial district.

Except, of course, he is black. And his suit is more than a uniform. It is one of Jett's weapons against the racism he experienced on Wall Street, where black men in suits remain a rare sight. "Even on casual Friday I wear a suit, because if I don't someone will mistake me for the mailboy," he once told an intern at his firm, Kidder Peabody.

The incident is related in his book, *Black and White on Wall Street - The Untold Story of the Man Wrongly Accused of Bringing Down Kidder Peabody* (William Morrow, \$26). It is a gripping account of one of the biggest financial scandals in Wall Street's history and a disturbing portrait of an uncompromising and often unlikable young man, determined to make it to the top on his own merits in an industry he believed to be meritocratic.

First, the scandal. In April 1994, Jett, then one of Wall Street's hottest bond traders and most successful blacks, was fired by Kidder, which accused him of faking profits to boost his multi-million-dollar bonus.

Kidder's parent, the US corporate giant General Electric, took a \$50m pre-tax charge. In a media blitz, Jett was labelled a rogue trader, a fraudster and a crook with a penchant for body-building.

Jett has never faced criminal charges. An industry arbitration panel cleared him of fraud and ordered his frozen bonus money to be paid to him. He says he spent it on legal fees.

A Securities and Exchange Commission judge also cleared him of fraud, but only on a tech-

nicality, she found that he had intended to commit fraud and fined him for book- and record-keeping violations. He is still awaiting the outcome of an appeal.

By his own exhaustive account, Jett engaged in "forward" trading of bonds, which involved booking profits before they had been realised. Jett's version of events is that Kidder's managers not only knew of his activities but were manipulating the firm's accounting system to disguise the fact that the unit was using more of its parsimonious parent's capital than it should have done.

However, his bosses have consistently denied knowing what he was doing, and General Electric still insists he is guilty. "As the extensive opinion of the SEC administrative law judge shows, Jett acted alone, intended to and did commit fraud on Kidder... The decision and the opinion of the SEC judge is the full and complete rebuttal of Mr Jett's book in our opinion," the company said in a statement.

So did Jett independently exploit Kidder's system to produce phantom profits and systematically cover up his activities? Taped conversations with his bosses, a ledger book known as the "red book" kept on the trading desk and other evidence produced at his trial suggested that whatever the improprieties of his trading activities, they were neither secretive nor concealed.

During the SEC trial, some press sentiment began to turn. "There is an awfully good chance that Joseph Jett is an innocent man," concluded Gary Weiss in a 1996 Business Week article. I felt the same way when I closed Jett's book. He is not always convincing - the conspiracy theories can be a little stretched, as when he notes meaningfully in his



Ex-bond trader Joseph Jett: "Not only did I lose the most productive years of my life, but I look at what happens to other people"

book that a Jett-like storyline on Law and Order was aired on NBC, the network owned by General Electric.

And Jett not only adamantly denies any wrongdoing but believes his trading was profitable, though legally speaking it does not matter whether or not he lost money. And just because he sounds paranoid, it doesn't mean they were not out to get him.

In person, Jett talks in a matter of fact way about the struggles of the past five years - his legal battles, his abandonment by former friends and colleagues, his roasting by the media, the mental jobs he took to support himself.

But when I ask him why he does not sound bitter, his tone changes. "Oh, I am [bitter]," he says drily. "Not only did I lose the most productive years of my life, but I look at what happens to other people" - in an industry where trading violations are often punished rather mildly.

Jett believes he made a good scapegoat because of his race and because no one liked him. Of his pre-Kidder stint at Morgan Stanley, he remembers: "I was doing quite well, but I was a real ass."

He was, by his own account, aggressive to the point of near-ruthlessness, egotistic, and entirely ruthless in his quest for glory on Wall Street. "My personality outweighed my colour," laughs an older, apparently mellower Jett.

His description of trading floor racism and misogyny is entirely credible to anyone who has ever encountered groups of bond traders. But Jett's tale is made more

poignant by what came before and what came afterwards. In his book, he recalls the childhood traumas of being turned away from whites-only restrooms during a family trip to the Deep South. But growing up in the Midwest, Jett was ostracised not only by white kids because of his race but by black kids because of his uncool and undeniably irritating insistence on discipline and striving for excellence - values instilled in him by

his father, a former soldier. His views on race - also shared with his father - are about as politically incorrect as they come. He vehemently opposes affirmative action and bemoans the "intellectual dumbing down of the black race."

"Of course everyone wants it to be easier, but we're feeding into the old idea that blacks can't compete." He believes the mind-

set of affirmative action is: "We want someone who we can control, who will be grateful."

Jett says he never revealed he was black when he applied for college - he went to Harvard - and sought instead to achieve success by entering a profession in which, he believed, merit could be measured in stark numbers. Ironically, Jett was widely accused of "playing the race card" during the Kidder saga.

Jett is also dismissive of cam-

paigns like the one by former presidential candidate Jesse Jackson to force corporate America to employ and promote more blacks. "It's difficult to boycott Wall Street. It's so far removed from most black people's everyday lives. 'Ooh, we're hurting now,'" he mocks. He is critical of black leaders - "Jesse Jackson even sounds like they want" - and slips in a shot at the media, which "loves the idea of the fat black preacher shouting at the top of his lungs".

His alternative to affirmative action? "I would use draconian methods. I feel the black race is in a fairly desperate plight right now." Instead of positive discrimination, he would impose "stringent requirements in academic performance before allowing participation in athletic events". He is angry about "blacks being herded into sports and entertainment. They want to become rap singers," he says despairingly.

It is quintessential Jett. He has honed his views on race so that they will offend or upset almost every interest group simultaneously. No wonder he had no friends when he needed them. But I cannot help admiring a

man who, after such long travails, is still not prepared to pull his punches.

The odd thing is that for all his rage and suffering, Jett still seems to believe there is a Wall Street meritocracy based solely on money. Despite the almost laughably absurd racism he endured at Kidder, which he says included lectures from his boss on avoiding fraternisation with white women and on black male sexuality, he insists he would not have risen through the ranks as rapidly in another industry or at a more traditional firm.

His latest venture, an offshore hedge fund, may be the only option open to a trader banned from trading on Wall Street, but it may also be the latest phase in his quest to prove himself - and overcome the barrier of racism - through the force of numbers.

Jett is bright and diligent. He used to get up, work out in the gym and still arrive at his desk at dawn. But above all he appears to have remarkable strength of will. It is not that a lesser man would have been crushed by his experience; most normal people probably would not have survived it at all.

On a bright Sunday this month, 40,000 Sikhs crammed into the west London suburb of Southall to celebrate the 300th anniversary of their religion's foundation.

The scene, watched by many more who clambered on to walls and rooftops overlooking the narrow streets, pointed up the contrast between the vibrancy of the suburb and the drabness of London suburbia.

Against a backdrop of scrubby poplars and grey pebble-dashed council houses, a heaving sea of celebrants was dotted with turbans, silk banners and flags of bright saffron orange, the colour of Sikhism.

The Sikh holy text, the Guru Granth Sahib, was paraded under a gilded canopy. At the thickest part of the crowd, the procession stopped and silence fell. The ritual cells of the priest travelling with the book were returned by a low surruration as the thousands present, hands clasped in supplication, turned towards the canopy and intoned "Sat Sri Akal" ("Truth is eternal"), the Punjabi phrase that acts as Sikh greeting, salutation and farewell.

A venerable stalwart of the local *gurdwara*, or Sikh temple, embraced a fraternal delegation from the World Council of Hindus. Teams of dancers wearing white *sarkar-kameez*, the dress of the Punjab, clashed staves to the hypnotic thump of drums.

But one of the most arresting sights was an open-topped bus

Sikhs celebrate survival and security

Alan Beattie explains a certain similarity of outlook between the Sikh community and the British - initial reserve followed by tolerance

bearing a party of war veterans. Their martial bearing, identical sky-blue turbans and ribboned chests were a reminder that the military tradition of the Sikhs was admired and recruited into the British army.

Indeed, as well as being a celebration of the survival of Sikhism through 300 sometimes turbulent years, the parade also symbolised the security of the half million-strong Sikh community in the UK, the largest settlement outside the subcontinent and one that reflects a long history of entanglement with the British.

As a monotheistic religion with a strong commitment to sexual equality and an explicit rejection of the Hindu caste system, Sikhism was never going to have an easy ride in northern India, caught between the shifting boundaries of the huge, mainly Hindu, population to the south and the Islamic Mughal empire which had swept down from the north.

During the period of the 10 gurus who founded the religion, the continual attempts by Mughal emperors to assimilate or destroy the nascent religion led to a fierce spirit of independence and a willingness to take up arms

to defend it. When the 10th guru, Gobind Singh, laid down the rules of the Khalsa military brotherhood which formed the core of Sikhism in 1699, he did so with a deliberate aim of creating a highly visible armed contingent. Distinctive in their uncut hair wrapped in turbans, the Khalsa always carried daggers as a symbol of their willingness to fight for the honour of their beliefs.

By the early 19th century the Sikh community had evolved into a powerful kingdom. It controlled the Punjab under Ranjit Singh, the legendary leader who consolidated temporal power while sometimes neglecting the spiritual - he enjoyed multiple wives, some of whom were Muslims, and was widely reported to drink alcohol, both activities disapproved of by the gurus. But he turned an undisciplined guerrilla cavalry into an efficient European-style infantry army which extended the Sikh empire to the borders of China.

Ironically it was the Sikhs' defeat in the Anglo-Sikh wars in 1849 that gave fresh impetus to the maintenance of the Khalsa religious heritage. The British, recognising the fighting skills of

the Sikhs, recruited them en masse into the British army in India, explicitly basing the army regulations for Sikh regiments on the traditional rules of the Khalsa. Within a decade the Sikhs, who had a reciprocal admiration for the military prowess of the British, were helping

Workplace discrimination banned bus drivers from wearing turbans and stopped Sikhs working in certain factories

them to suppress the Indian Mutiny.

Outside the army it was a different matter. In a foreshadowing of the experience of some Sikh immigrants a century later, Ranjit Singh's son Dalip went to Britain and underwent a crude cultural emasculation. He half-heartedly converted to Christianity (later trying to convert back) and, as a tame Sikh at the court of Queen Victoria, provided political legitimacy for the occupation

of the Punjab. The glorious Koh-i-Noor diamond that had once graced his father's arm was cut down by more than half, polished and added to the British crown jewels.

The special relationship developed. A hundred thousand Sikhs served in the British army on all fronts in the first world war, and the bond survived the massacre of civilians ordered by the local commandant General Dyer at the Sikhs' holy city of Amritsar in 1919.

Indarjit Singh, editor of the Sikh Messenger in Britain, says the mutual respect persisted despite the prominent Sikh involvement in the Indian struggle for independence. "Despite occasional atrocities and the recognition that the British were holding India by force and had to be expelled, Sikhs contrasted the relative enlightenment of British rule with that in other empires," he says.

So despite the further sense of betrayal felt when the British partitioned the Punjab between India and Pakistan in 1948, the resulting waves of emigrants in the 1950s and 1960s - later followed by Sikhs driven out of Kenya and Uganda - saw

Britain as a natural destination.

First-generation Sikh immigrants received a mixed reception. Among the native British who had served in the army, they were warmly welcomed. But initial suspicion from others meant that in the early years many abandoned the outward appearance of their religion, aided by workplace discrimination which banned bus drivers from wearing turbans and stopped Sikhs working in certain factories where, they were told, their long hair would be dangerous when working with machines.

However, as Indarjit Singh says: "Sikhs have never felt strangers in this country." A certain similarity of outlook between Sikhs and the British - initial reserve followed by a tolerance of others' beliefs - meant that acceptance of their presence in Britain came swiftly, he adds.

And when the rise of Sikh militancy in the Punjab and the storming of the Golden Temple by Indira Gandhi's government in 1984 led to a resurgence of religious identity among lapsed Sikhs in Britain, it never manifested itself in an aggressive rejection of liberalism, Indarjit Singh says.

Glazed forgott

سكنا من الاجل

Glazed but not forgotten

Clarice Cliff, design icon and iconoclast, was born 100 years ago but her vision has not faded and her ceramics are more popular than ever. Holly Finn is bowled over by the artist's 'Bizarre' talent

how to spend it



People are like pieces of pottery. Some look good, say the right things and present themselves well at formal dinners. Others are a little different, and a lot more colourful. They're the sort, when you're seated with them, that can't help but spontaneously lift your spirits.

Reacquainted with Clarice Cliff recently, I was reminded that I prefer the second kind - of both. Though Cliff has been dead for 27 years, her boldly shaped and brightly coloured ceramics, particularly those designed and hand-painted in her most prolific period (1927-1939), are very much alive. While other artists took a logical, level-headed approach to their ceramic work (a little gold trim here, a dainty scroll pattern there), Cliff went wild with her designs. Her passion was, and is, reciprocated. The Clarice Cliff Collectors' Club now has 699 members. In 1998, £13,800 was paid at auction for an original Clarice Cliff tea set. And exclusively this year, reproductions of a number of her designs will be available from Wedgwood.

"It's like tasting a sweet you really like. You want to go and buy a pound, eat them all and make yourself sick," says Len Griffin about the reaction people often have when they see Cliff's designs. Founder of the collector's club and author of the forthcoming book *Clarice Cliff: The Art of Bizarre*, Griffin helpfully explained to me that unbridled enthusiasm is a classic first-stage symptom of the budding Cliff collector.

As in love, you are

smitten. Chancing upon one of Cliff's "Bizarre" creations - star-patterned orange and yellow plates, a coffee-set painted with red and green curlicues, pots decorated with primary-coloured pebbles or butterflies or flowers - you feel lucky to be in the presence of such a jubilant personality. Even the names Cliff chose for her patterns are gleeful, such as Caprice, Fantastique and Delecta.

How could you resist the latter, for just an instance? Launched in 1929, it is a jumble of purple, yellow, green, red and orange enamels, mixed with turpentine, laid on to the cups and bowls of a coffee set, and left to drip suggestively down their sides. As Griffin points out in his book: "The vision of 1929's art, when a painter literally threw pots of vividly coloured paint over a canvas, is a stereotype today, yet Clarice Cliff did exactly this in 1929!"

In 1930, the *Daily Mirror* wrote: "One of the romances of the pottery trade has been that of Miss Clarice Cliff who a short time back was a modeller for a pottery firm in Stoke (on-Trent), before she conceived the idea of

brighter pottery for the home. Now she spends her days designing gay, many coloured fantasies, that are patterned on ordinary cream pottery by over 100 girls, paintresses as they are called locally, who quickly learn her designs by heart." Cliff worked at Newport Pottery, in Stoke-on-Trent, where she was promoted to apprentice modeller in 1922. Her studies at the Royal College of Art had already convinced her that English pottery lacked colour. Then, in 1925, she visited the Exposition des Arts Decoratifs (Art Deco) at Industriels in Paris, where it's likely that the work of cubist artists such as Robert and Sonia Delaunay made an impression.

Cliff's "Bizarre" ware was launched soon afterwards, in 1927, when instead of throwing away a stack of excess pottery, she painted it bright and named it after a set of prints recently given to the British Museum. By a 17th century Italian artist, they depicted wacky creatures called "Bizarrie". She took the artist's theme and ran with it, painting flamboyant designs on to funky shapes that soon became highly desired.

She was promoted to art director at Newport in 1930. That year, Cliff was quoted as saying: "Women today want continual change, they will have colour and plenty of it. Colour seems to radiate happiness and the spirit of modern life and movement, and I cannot put too much of it into my designs to please women."

Cliff aimed to please, but never sacrificed her distinct, very personal style. Instead of aerographing her ceramics (spraying a thin layer of colour over a printed pattern), which was common at the time as well as economical, she insisted

on the more vibrant, less industrial look of hand-painting. She was one of the first to incorporate Harrison pink, a tint with a high gold content and so a higher price, in her patterns. And she invented quirky designs, such as conical sugar shakers, beehive honey pots, and the original blackbird pie funnel (later mass-produced by others), because she firmly believed that women wanted individuality, not homogeneity, in their homes. She was right. Says Griffin in his book: "By not taking her work too seriously Clarice produced very commercial ware."

Today her work is being celebrated by Wedgwood, which in 1970 bought the factory where Cliff used to work. An exhibition of more than 600 of her pieces is opening there, in Stoke-on-Trent, on April 23. Upcoming auctions at Christie's and elsewhere continue to feed ever-hungry collectors on the hunt for as-yet-undiscovered Cliff

truffles. Griffin estimates there are 48,000 combinations of Clarice Cliff patterns and shapes, only a portion of which have been found and identified. "You'd never get to the end of collecting it," he says. "With Clarice Cliff, you don't know what else you can get because so many new things are always being found."

At auction, Cliff's original conical sugar shakers (which could just as easily shake powdered chocolate or salt and pepper) go for up to £2,000. But - this year only - you can buy a bold orange-patterned printed reproduction shaker from Wedgwood for just £50. Given that a reproduction Cliff teapot sold in 1997 for £160 was resold at auction a year later for £380, a shaker doesn't seem a silly investment.

But Cliff is not really the sort of designer you buy to resell. "She was just as much an artist [as Matlase or Moneil]," says Griffin, "although her canvas was earthenware, and she lacked

the romantic surroundings. For many years Clarice's Staffordshire background remained a hurdle her reputation could not surmount." Still, bursting with colour and an irrepressible sense of joy, her ceramics were good enough for Bloomsbury artists Duncan Grant and Vanessa Bell, who for years ate off sets of her ware at Charleston, their country house in Sussex.

"Had Clarice designed in a Chelsea studio," continues Griffin, "she might have been accepted by the establishment more easily. But Clarice was a true Staffordshire artist who reflected the heritage of this unique part of England in a way only she knew how."

Like the person seated to the right of Dorothy Parker's character in her short story, *But the One On the Right*, Clarice Cliff is the sort you instinctively want to spend time with. Parker's character spends the whole of a dinner party tethered to a tedious conversation with the one on her left, all the

while wishing she could have a moment with the seemingly fascinating one on her right.

You imagine he - like Clarice and her pottery - is the kind that promises pleasure not duty, outright delight not restraint. Why waste time with what's dull, when you can have dramatic? That's the point of the story, and of Clarice Cliff.

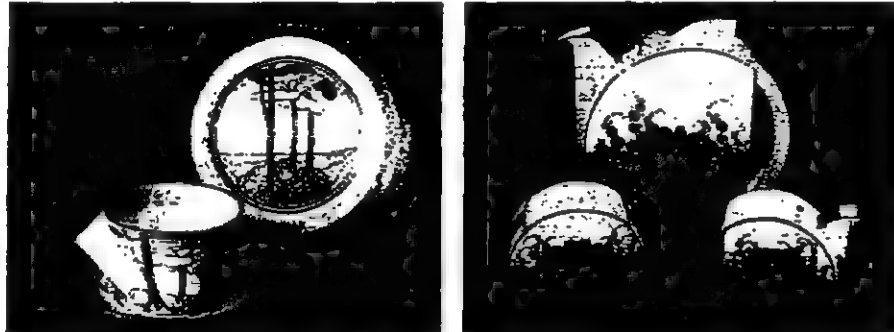
Waterford Wedgwood: 188 Regent Street, London W1 (0171-734 7863). Stockists: 0800-817 413.

Clarice Cliff: *The Art of Bizarre* by Leonard Griffin, will be published on May 27 by Pavilion, £25.

The Bizarre Art of Clarice Cliff exhibition runs from April 23 to September 5 at the Wedgwood Visitors Centre, Barlaston, Stoke-on-Trent (01782-329432).

Christie's next Clarice Cliff auction is on May 21 at 85 Old Brompton Road, SW7 (0171-581 7611).

Phillips next Clarice Cliff auction is on July 15 at 101 New Bond Street, London W1 (0171-639 6608).



Tea-time temptations: Wedgwood brings back Clarice Cliff with reproduction pieces. Left: Blue Flies conical tea cup, saucer and plate (£80). Right: Staffordshire tea-pot, sugar bowl and cream jug in Hokusai (£120 the set). And above: Farmhouse, Lighthouse, Red Roof Cottage and Orange Erin sugar shakers (£50 each).

A (very) vertical tasting

Their mission, once accepted, was not impossible. John Münch meets the men behind a new big-hit restaurant in Las Vegas

Let me pitch you the story. Picture a one-of-a-kind architectural space surrounded by a fistful of big buildings, big personalities and big bucks. Add to that a big vision: the triumph of world-class design and cuisine in a place where the only tables worth patronising traditionally have been for gambling. All this in the middle of the desert, in Las Vegas.

Could it get any hotter? Well, get this. It stars Adam Tihany and Charlie Palmer and the restaurant they built - or maybe it should be Charlie and Adam. We're talking big, capital-letter egos here, and these chaps are both accustomed to top billing.

The script could go either way - boom or bust - but with these guys involved, it's got real blockbuster potential - think *Butch Cassidy and the Sundance Kid* meets *Willy Wonka and the Chocolate Factory*.

Tihany is a restaurant owner and designer (some will tell you the restaurant designer, for it was he who revamped Le Cirque 2000 in New York, Monte's in London and The King David Hotel in Jerusalem). Born in Transylvania, raised in Israel and design-educated in Milan and across Europe, he was once quoted as saying he had "major problems taking orders". But he has no problem bringing the spaces dreamt up in his imagination to life.

Palmer is a chef who grew up on a farm in Smyrna, upstate New York, and now enjoys giving orders in an ever-growing restaurant empire based in the Big Apple. His much-fêted Aureole restaurant has been one of the prime protagonists, since its 1988

opening, of the early stirrings of "progressive American cuisine".

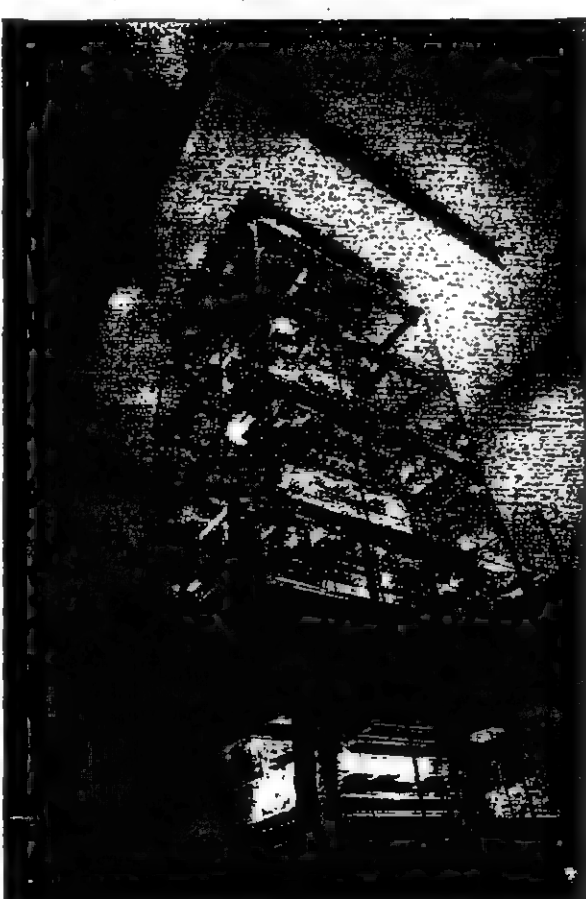
Palmer is clear about what "progressive" means to him. He is a man who believes in marketing, not overselling: "A lot of people will say in this country there is such a thing as an American cuisine. I think eventually there will be an American cuisine. I don't think there is now. A cuisine is something that happens over 50 to 100 years, not over 10 to 20."

"The nice thing in America is that we don't have the restrictions or boundaries that come with tradition, like in France which you see now finally changing drastically. What we're doing in the restaurants changes constantly [hence the 'progressive' tag]. It's a great time to be cooking in this country."

Although Palmer and Tihany have known each other for about 20 years, they had never worked together on a restaurant project until the opportunity arose to design and operate a second Aureole restaurant - in Las Vegas.

Even before it opened last month, as part of the gigantic Mandalay Bay resort and casino which boasts 3,700 rooms and suites and a total of 14 restaurants, the new Aureole was destined to be in complete contrast to the sleek but honey original site in New York - a town house on the Upper East Side between Madison and Park Avenues that has long attracted the most devoted foodies.

First, Tihany and Palmer were presented by Mandalay Bay's management with a monumental space. "It was a cube shape with the axis



Giving flights of wine a new meaning: the 42ft wine tower at the new Aureole restaurant in Las Vegas. Andy Lee Photography

going right through the middle," says Tihany.

Then they had a monumental challenge - to devise a fitting display for the wines made available by a California collector as part of the investment to create the new restaurant. "We had another problem," said Tihany, who is known for his kinetic interpretations of space. "There was already a design for the restaurant. It had one of those great ballroom staircases with swans."

He decided he couldn't work with the initial design and offered management a

deal: if they scrapped the staircase (even though the materials had already been bought), he would provide a "staircase" for the unique store of wines - 40,000 at the last count.

Though the money men accepted the quid pro quo, Tihany was less sanguine after he had talked them round. "I didn't know what I was going to do. That night I was in my hotel room and I turn on the TV and *Mission: Impossible* is on. I see Tom Cruise being lowered on a harness. And I realised that was it. We would have a wine tower, and hostesses

would fly up and down on harnesses to get the wine."

The wine tower is very Las Vegas - outrageous and expensive (about \$1.2m) - but, as Palmer sees it, "in a very chic and classy way. It is not cheesy and in no way is it anything but first class."

The tower is 42ft high and 14ft square. It is made of stainless steel fitted with laminated glass containing wine racks of sand-blasted plexi-glass, and temperature controlled to 55°C with humidity at 70 per cent.

To Tihany, the statistics are not just phenomenal, they are personal. He considers himself "a portrait artist, painting portraits of my clients. I do research about what they stand for, where they come from to be able to know where to take them. The Aureole in Vegas is a portrait of Charlie - tall and strong."

While conjuring up the high-tech magic of the wine tower, Tihany wanted, in that soaring space, to maintain "the warmth and personable feeling of Charlie, that what you see is what you get, interpreted here in a sophisticated architecture."

How, then, does the restaurant, now in its first weeks, strike the customer's eye and palate? Like other sights and sounds in Las Vegas, Aureole plays second fiddle to gambling. It is nestled in a corner of a vast gaming room, several soccer fields in size, not far from The House Of Blues. To reach the restaurant, you must skirt slot machines and card tables - not the most encouraging entrée for a world-class meal.

Gently curved and earth-brown in colour, Aureole's frontage is the most minimalist you will see in this city. There's not a neon here in sight. The cuisine, on the other hand, is as haute as you can get. Once inside, the wailing of the blues and the hypnotic melody of the slot machines magically dissolve into soothing quiet.

Palmer's inspiration is French but his cooking is not beholden to place - New York, Las Vegas or elsewhere. My main course, of wood-grilled filet mignon accompanied by marrow and parsley custard in a hollowed-out bone, was superb. The beef, black Angus air-freighted from Palmer's New York state supplier after suitable ageing, yielded helplessly to



Adam Tihany: designer



Charlie Palmer: chef

the lightest touch of my knife.

Then there are the wines. For starters they include Lafite, Margaux, Palmer and Leoville-Las-Cases stretching from 1884 to 1990. These perk up even the most jaded palate, and carve a sizeable hole in even the fattest wallet.

Keeper - in all but name - of the great wine tower, is Steve Geddes, Aureole's director of wine and one of only 74 master sommeliers worldwide. Geddes can machine-gun you verbally with his knowledge of fine wines but, like Palmer, he is a country boy (son of an

electrician father in Oregon) and straightforward. He is keen to discuss the finer points of the vintages.

Geddes' particular recommendation was for Austrian dessert wines, notably those by Alois Kracher in the Wachau area west of Vienna. Our bottle of 1995 Trockenbeerenauslese, Kracher No 7, was a marvel. Such splendour, however, does not come cheap at \$211 a bottle.

But when you order it, your waitress doesn't dampen into some dark, damp cellar. Instead, she takes to the air, soaring up into the wine tower and

retrieving your bottle while in flight.

Sure, Aureole at Mandalay Bay is theatrical, but not at the expense of taste. It is not vulgar. Rather than being a straight-to-video production, it has all the ingredients of a *Gesamtkunstwerk*, the Wagnerian ideal of a unified work of art in which all aspects - drama, decor, and cuisine in this case - are combined, each contributing but subservient to the whole. In Vegas, that's saying something. Aureole restaurant, 3660 Las Vegas Blvd, Las Vegas, Nevada 89119. Tel: 702-632 7401.

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Like candy in a coalmine

War-time utility gave way to 1950s femininity. Now pretty little madames have started the backlash against 1990s austerity, says **James Sherwood** and soft has never looked stronger

Demure, pretty and lady-like haven't figured on the fashion agenda since the demise of Paris couture in the 1950s. So why, this season, does a pair of powder pink suede slide heels from Gucci look as tempting as Belgian chocolate? Why do Donna Karan's ice-cream coloured parachute silk ballgown skirts worn with bare feet feel right?

This instinct for pretty and feminine files in the face of the decade's fashion mania: sport, utility, utilitarian and simple. The 1990s have seen sportswear in the ascendant, basics on the rise. Gap, the McDonald's of fashion retail, has reduced our generation to its lowest common denominator: a simple urban uniform as bland as Evian water. There had to be a backlash.

With 1980s prom skirts, Capri pants and a satin opera coat owing much to Elizabeth Taylor in Butterfield 8, the spring-summer 1999 collection from fledgling American label Tuleh is leading the revolt. Designers Josh Patner and Bryan Bradley are in the vanguard of the Pretty Modern Movement.

"What is not modern about femininity?" asks Patner. "We believe it's a misconception that to look modern you have to be clinical. Perceptions of modern haven't changed since the space programme. To us, there's nothing less contemporary than dressing



like one of the Jetsons. The eye gets tired of dreary clothes. We know a lot of pretty women who were longing for pretty clothes, and decided to seize the day." Tuleh's new collection is an exercise in elegant refusal - refusal to follow the designer superhighway towards laser-cut Techno fabrics and clinical minimal shapes, refusal to bow to uniformity, demure femininity, or be a victim of the extreme. Their circle-cut cerise prom skirt, shantung slacks and pretty

Taking a cue from Audrey Hepburn's sunny 'Funny Face' (1956), even a 1990s woman can loosen up in this floral print silk chiffon covered dress (\$1,295).

floral blouses are unashamedly ladylike. Their colour sense is exuberant. Their fabrics are the highest-quality cloth.

Women who invest in fashion have lifestyle requirements certain trends do not answer, and the new prettiness does. Why shouldn't women want to look like women? Don't men



like women to do so? It's about reclaiming femininity as a positive.

Modern women no longer feel the need to ape the masculine two-piece suit as they did in the 1980s power-dressing decade. "Equality is absolutely necessary in the workplace," says Patner. "But it's not attractive in your closet." Working women know there is no need to wear tailored armour plating or to dress down any more; dressing down is an extension of dumbing down.

So now simplicity must be sophisticated - and spinning simplicity into glamour is the challenge and genius of American design. "Ease is one of the most difficult messages American designers have to put across," says Patner. "What with all those leisure suits you see Americans wearing. Ease for Tuleh is a lightness of touch in construction of the garments and choice of fabrics. There's nothing stiff or formal about our clothes."

The full skirt, which hasn't enjoyed a moment in the sun since Christian Lacroix couture puffball in the 1980s, is once again taking centre stage. It is a key Tuleh piece, but instead of supporting the prom dress with yards of net, designers Patner and Bradley have left the fabric unencumbered and cut the circle skirt generously. It is light as air rather than wedding-cake heavy, liberated not repressed.

You may well question

what would possess 1990s women to embrace the prom dress all over again, and whether it really makes sense to return to an era when the image of a woman was as a disempowered doll who never drove a car, opened a door or had a career? In the past five years, designers have revisited every decade of the century. Fifties retro doesn't answer the needs of a 1990s woman any better than any other era, or does it?

"We tend to deny too much 1950s influence," says Patner. "What we don't dispute about the 1950s is the fact that all women - from teenagers upwards - cared about presentation and precision in the way they put themselves together. It's an optimistic way of facing the day, putting your best foot forward by dressing as well as you possibly can. A real celebration of femininity makes you feel better, right?"

The reception of Tuleh's collection for this season bears out this belief. "If I saw another pair of khaki pants, I thought I would scream," says Elle fashion director Claudia Navone. "As an Italian woman, I like fashion to be feminine. By spring-summer '99, I wasn't interested in Utility. Pretty has returned and I couldn't be more delighted."

Tuleh's collection is on sale at US department stores Neiman Marcus and Bergdorf Goodman. Angela Quintrell, buyer at Liberty in London, is expecting her first delivery in



Just the thing for an updated 'Roman Holiday' (1953): A moss green silk voile short-sleeved top (\$435) with a blue/black silk/leaves skirt (\$450)



The sweet-talkin' look of Elizabeth 'Maggie the Cat' Taylor in 'Cat on a Hot Tin Roof' (1958) returns with a fuchsia silk chiffon circular skirt (\$395) and violet cotton and silk voile shirtdress top (\$425).

Archive photographs courtesy of The Nabal Collection

how to spend it

In the workplace, women know there is no need to wear tailored armour plating or to dress down any more; dressing down is an extension of dumbing down

two weeks. "Yes, they use pretty prints, but Tuleh has a fresh eye for colour that takes the label away from retro," says Quintrell. "Tuleh are pretty in a wild way rather than girly."

Tuleh's designers may be in denial about their 1950s feel, but it's clearly a smart decade to rethink. The salient fashion items of the decade - the twin-set, the pencil skirt, the Capri pant, the pedal pusher and the cute kitten heel - are now firm favourites with women who want to be groomed, elegant and grown-up, women who prefer to be seen as free-flying butterflies than moths of the Utility sorority.

More practically, the 1950s twist works now because of - not despite - progress. Fabric technology has taken the starch out of the prom dress, loosened up shantung and allowed satin to stretch. This is performance pretty.

The return to such simply beautiful clothes is not, as it might seem at first, reactionary. Quite the opposite. These days, women are smarter shoppers. They

want a luxury look, but one that won't crash out after a season. It's what's coming to be known as "hedged hedonism". Designers such as Tuleh, by returning to flattering, feminine shapes while taking advantage of fabric technology to make the pieces user-friendly, are smartly supplying the demand for it.

Says Patner: "We're about a fusion of couture techniques done in a more ready-to-wear way. What's interesting is the hand-made quality of our clothes. There is a lot of hand-finishing and beaming - and all the fabrics are the best of the best - but we're keeping it light, modern and easy to wear."

In a morass of stark black, white and grey, pretty clothes such as Tuleh's stand out like a piece of candy in a coal mine. They whisper that this is something special - and that \$400 for a floral blouse is worth it, because femininity lasts. What, these pretty things ask, is the point of paying the same amount for something that is supposedly high-style but is really as homogeneous, as androgynous, as Gap supplies?

You might as well save the money, join the khaki army and disappear.

● Liberty, 210-221 Regent Street, London W1, tel: 00 44 171-734 1234. Bergdorf Goodman, 754 5th Avenue, New York 10019, tel: 00 1 212-753 7300. Neiman Marcus, 9700 Wilshire Boulevard, Beverly Hills 90212, tel: 00 1 310-550 5900. Ultimeo, 44 Highland Park Village, Dallas 75205, tel: 00 1 214-520 3068.

Game for gentle geniuses

Holly Finn discovers the art of communication from boardgame to boardroom

In the spring of 1949, Princeton University in New Jersey was a hotbed of mathematical discovery. Among the big brains doing the discovering, a boardgame called Nash was the most popular pastime. Named after its creator, John Nash, the game is described in his recent

biography, *A Beautiful Mind*, as the mathematician's "first bona fide invention and the first hard evidence of his genius". His peers, even his mentors, were "beguiled by his ingenuity and beauty". But, as biographer Sylvia Nasar points out, "the inventors of games that people do play are, of course,

lost in the sands of time". Nash almost was. He had a breakdown at 31 and descended into schizophrenic madness for three decades. But, remarkably, recovered. In 1994, he was awarded the Nobel Prize in Economics, thereby avoiding anonymity forever.

The inventors of Abalone, a boardgame that has captured the imagination of France and is about to be introduced in the UK and US, may not have such trauma and recognition ahead, but what they have created is worth noting, their game worth playing. Abalone is elegantly simple. It is a reminder that the games people play can be more than brain-teasers or time-killers. If created and played well, they become gentle exercises in communication.

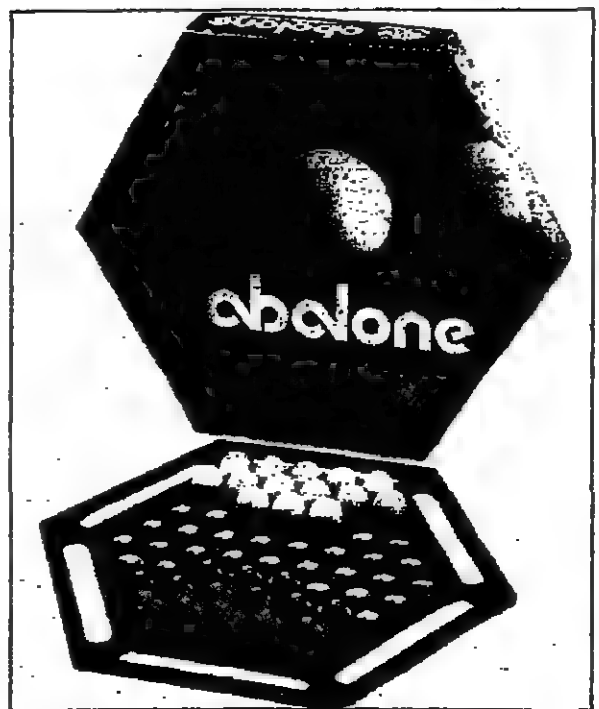
Abalone is played on a hexagonal board, one player against one other. Each starts with 14 balls, either black or white. Moving their

balls across the board, the aim of each player is to be the first to push six of the other's balls off the edge into the trough around the rim. This is done using a simple formula: 3-2-1. Three balls pushes two, two pushes one.

Any age can play, and any age does. At the Paris Toy Fair two weeks ago, an elderly grandfather sat hunched over a board at the Abalone stand, playing against his young grandson. The boy, no more than 10, was winning. "This one is not a game for brains. It's a game for feelings," says one of its pair of inventors, Michel Lalet.

The Abalone web site (www.abalone-online.com) says the game is "all a matter of tipping over, keeping one's balance, pushing, pinning down, playing possum, ducking or taking your opponent by force, the better to neutralise him".

"The game is not violent," says Lalet. It is designed to encourage



Abalone: not a tribute to the crustacean but a way of teaching

subtle, not savage, moves. In France, people play in cafes and parks. "We even found people playing in discotheques," says Lalet, "where it is so noisy people can't speak. But they understand each other through the game."

The first time I played it with a friend I stopped halfway through, when our balls were in deadlock, and chuckled that the board looked like a pretty accurate reflection of our relationship. It seems I wasn't joking. I

was on to something. Businessmen, after playing, have reported that they've quickly gained new understanding of their role in corporate politics. People see in the board strategies that apply beyond it.

Shortly after Abalone was first marketed 10 years ago, the inventors were sitting at a Paris cafe and overheard two women talking about it. The elder said, emphatically, to the younger: "Play that game. It's absolutely sexual." Lalet says: "So we said, 'We got it. We found something.'"

Though it was not the inventors' aim to create a game that acts as analyst, they did consider a deeper meaning. The name Abalone is not a tribute to the crustacean, but a splicing together of the latin word "ab" (meaning away from, or - more loosely - the opposite of) and alone. "Never alone" is the way the inventors like to translate it.

In the design phase, they concentrated on finding a way for people to touch each other, by literally touching their opponent's balls. The sound this made was vital to them (both Michel Lalet and partner Laurent Levy love

music). They rejected the arrogant, aggressive "schkiah" sound, in favour of the smoother "peisew", which is reminiscent of a Jaguar's door being shut, and is soothing.

Who knew this much thought went in to the making of a boardgame, something you pull out of the cupboard on a day so rainy even the coloured version of *Game With the Wind* won't help? Well someone did; and Abalone won Game of the Decade at the International Games Festival in Cannes last year.

■ In France: Abalone can be bought in all leading supermarket chains including Carrefour, Conimex and Le Bon Marche, and also at specialist games shops including Toys R Us, for FF7900.

■ In the US: Abalone will be available at leading games shops including Game Keeper at \$19.99. For details tel: +805 961 1166.

■ In the UK: Abalone will be available at the end of the month at game stores including Hamleys and Playing Games, as well as department stores and newsagents for £19.99. Stockists inquiries: 01488-342291.

COOKERY
Delight beyond

مكتبة الامير

FOOD AND DRINK

COOKERY

Delights that lie beyond the fillet

The most versatile of meat should be eaten from 'nose to tail', says Philippa Davenport

Beef and lamb can make wonderful eating but the meat of the pig would be my desert island choice. Organic free-range, of course. Gloucester Old Spot or Tamworth for preference, with a hint of apple and beechmast sweetness from rootling in orchard and woodland.

No meat is more versatile. And no cut pleases me more than belly, with a ratio of fat to lean (what London chef Fergus Henderson calls its "not quite meat, not quite fat, quality").

Belly makes the best bacon. It can be roasted fresh, brined and poached, chopped and braised, or ground to make sausages, rillettes and meatballs. What is more, it is cheap.

Last Sunday I forsook my

usual favourite cut to roast a crackling loin of pork in the classic English style, chined and finely scored to encourage the skin to become ultra-crisp. It has to be meat of good provenance to come out right.

Modern, over-lean breeds of fast-grown pigs yield meat that tends to be tough as well as tasteless, however carefully you cook it. That said, even the best pork will lose its succulence if roasted too fiercely or for too long.

Overcooked pork is a dull beige-grey stone colour, dry and unyielding, and just as inedible in its own way as lingerie-pink underdone pork. Aim for pearly white flesh judiciously resilient to the touch.

In practice, I find this

means roasting a loin for 45-50 minutes per kilo at moderate heat (190°C, 375°F, gas mark 5) after an initial 15 minutes in a hot oven (225°C, 425°F, gas mark 7). If the joint is small, you may need to add an extra 15 minutes or so at the lower temperature to cook the meat right through. But extra time is unlikely to be necessary if you choose, as I did, a long six-rib piece of loin complete with kidney.

It makes a nice presentation and is easy to carve, not thinly sliced but cut into chops.

To partner the meat I suggest a handful of sage crisps (sage leaves that have been stizzled for seconds in very hot oil or some of the fat rendered from the joint dur-

ing roasting). Pork and sage make fine team-mates and serving sage crisps will assuage members of the old fraternity who harbour a yearning for roast pork with a pocket of sage stuffing tucked into it.

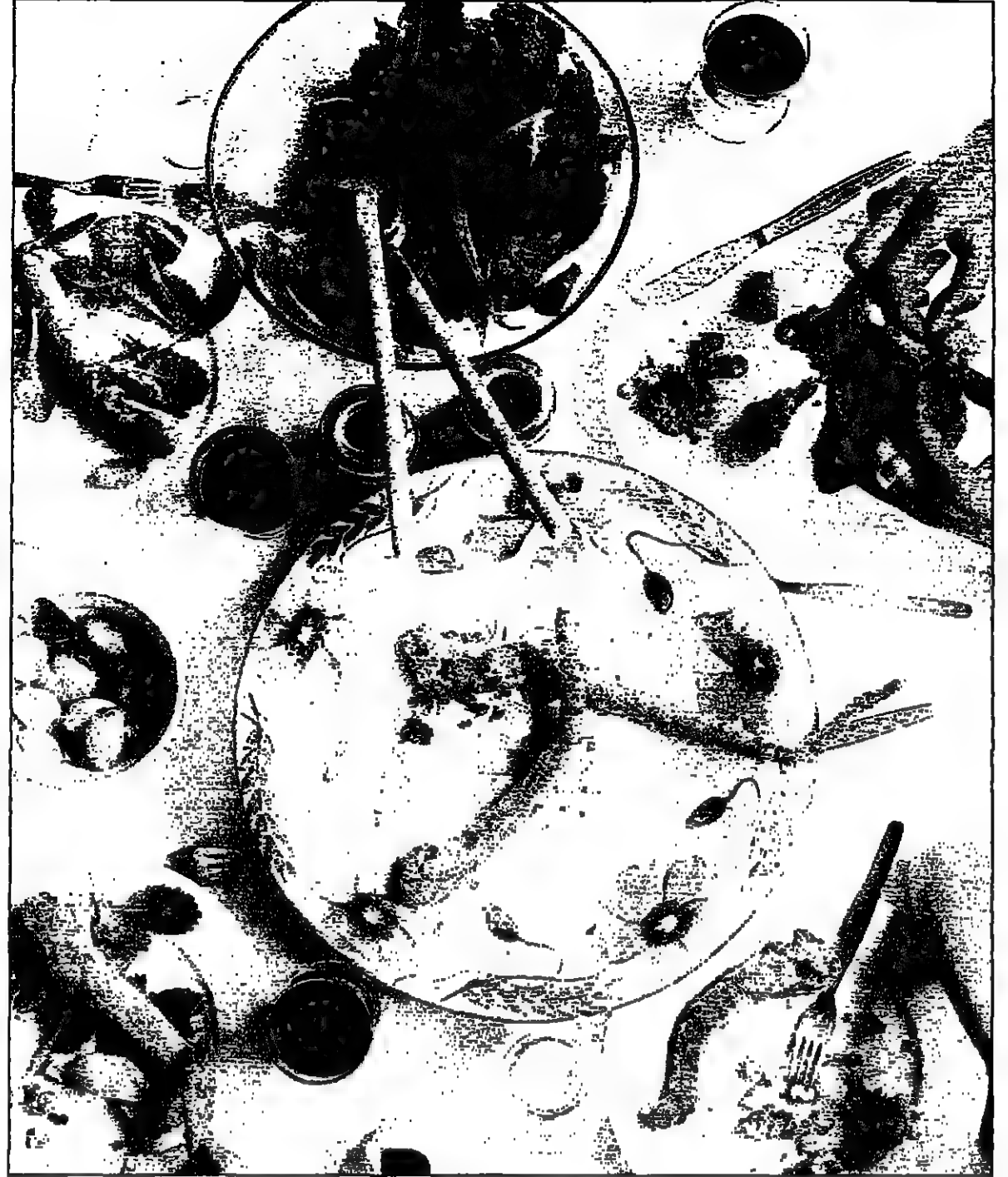
Also recommended with roast pork is horseradish apple sauce (1 large Bramley, peeled, cored and finely sliced, cooked in 2 tablespoons of water until soft, crushed to a coarse purée, seasoned with 1/2 teaspoon of sugar, some salt, black pepper and 1 tablespoon of hot horseradish sauce or more to taste).

As for vegetable accompaniments, roast potatoes are hard to resist, but mash is purer and soaks up the gravy better. Purple sprouting broccoli and leeks are timely choices of greenery at this season. Equally good is spring cabbage, finely shredded and lightly steamed.

One of the keenest and best pork cooks in Britain today is the affable Fergus Henderson, chef-proprietor of St John in Clerkenwell. His careful, honest and unassuming reworking of British food traditions has won friends among restaurant critics and home cooks alike.

"Nose to Tail Eating" is the motto inscribed on the pig logo that hangs outside his restaurant. Its meaning, as he explains in his soon-to-be-published cookbook of the same name, is that "it would be disingenuous to the animal not to make the most of the whole beast; there is a set of delights, textural and flavoursome, which lie beyond the fillet".

His sturdy and invigorating menu is famous for favouring butch butchers' meats rather than the bowdlerised versions that clutter the average supermarket. In the book, as in the restaurant, you will find no-



Crispy Pig's Tail: making the most of pork with no-nonsense cooking from 'Nose to Tail Eating'

Fergus Henderson's Boiled Ham & Parsley Sauce

(Serves 4)

2kg piece of rolled green collar of good ham; 2 sticks of celery; 2 onions, peeled and stuck with 8 cloves; 2 leeks, cleaned; 3 bay leaves; 10 whole black peppercorns; 10 good-sized carrots, peeled but left whole so they stay sweeter.

For the sauce: 100g butter; 100g plain white flour; 600ml milk; a big bunch of curly parsley, finely chopped.

Place your ham in a pot, keeping in mind you will

need to add carrots later. Cover the ham with water, add the celery, onions, leeks, bay leaves and peppercorns. Bring gently to the boil, skin, reduce to a simmer and cook for 2 1/2 hours. Then add the carrots.

Now make your sauce. Melt the butter in a pan, add the flour and stir on a gentle heat - do not let it colour; it is ready for the milk when it smells blacuity. Add the milk, whisking ferociously and making sure the heat is not too fierce. When you have a firm white creamy

mixture, add a ladle of ham stock and whisk again. Do this until you have reached your desired consistency. Test for seasoning. Before serving, stir in the chopped parsley and pour the sauce into a warmed jug.

When the carrots are cooked, you are ready to serve (if the ham is cooked and the carrots are not, remove the ham from the stock and turn up the heat). Slice the ham and serve it on a plate with the carrots and a drizzle of ham stock. Mustard is vital on the table.

Fergus Henderson's Broad Beans, Ham & Parsley Sauce

This is the most delicious way of using up the remaining boiled ham. In fact it is so good that it is worth boiling ham especially for this dish.

Yesterday's boiled ham,

cut into chunks; broad beans; parsley sauce.

Gently warm the chunks of ham in the stock it was boiled in yesterday. Boil the broad beans in the ham broth.

When cooked, drain the beans and place them in a dish. Nestle the warm ham into the beans, pour hot parsley sauce over the ham and beans, and eat straight away. A joy!

In the world of theme pubs and restaurant pubs, a locals' local is an increasingly rare find. You know the sort of pub I mean - the type that PR girls for All Bar One wouldn't touch with a 40ft baguette, that hasn't replaced the hand-pumps with the sort of beer engine more familiar to French cafes, and installed plate-glass windows more in keeping with Belgraves than the smug at the Rover's Return.

In short, a locals' local is a pub that still fulfils a proper function as the fulcrum of a residential community, the place you go to get to know the neighbours. The Dacre Arms is one of those. Tucked down a quiet, salubrious residential street, opposite a church hall between trendy Blackheath and Lewisham, which despite the Labour council's aim to turn it into the Wandsworth of south London, remains resiliently unconstructed.

Its historical address is Lee, as witness its proximity to St Margaret's of Lee, site of a parish church of that name since the 13th century, which was wantonly pulled down in the early 19th to make way for a grander edifice which promptly fell down barely 40 years later.

The present Gothic revival Victorian church was moved across the road. Links to nearby Greenwich are reflected in the fact that the churchyard contains the tomb of Edmund Halley, 17th century Astronomer Royal and discoverer of the celebrated comet.

Regulars at The Dacre - some of them at least - know things like that. A potted history framed like that. A wood-pannelled wall on the origin of the pub's name as linked to the family of an 18th century gentleman called Trevor Roper, later 18th Baron Dacre, whose wife mourned him for 14 years before being buried alongside him in the local churchyard.

I once mentioned this to the present Lord Dacre, the historian Hugh Trevor-Roper, who mainly that he had never heard the tale not even behind it is his most often behind it is his most suffering barman John, a long-suffering barman John, a character with the sort of dry wit



The Dacre Arms' Terry Freak, a publican in the old mode

WATERING HOLES

Getting to know you . . .

Peter Millar rejoices in a rare treat - a locals' local that's a genuine social service

that can strip paint, but a natural John made clear he knew all about them, and which pubs they attempted to frequent, though he made sure we knew The Dacre wasn't one of them.

Pubs like The Dacre are for drinking, and talking, and arguing - not too loudly, please - in short, an antidote to television.

The comment least likely to be heard at the bar: "I'm only here for the beer." The Dacre is a Courage pub which means most of the locals drink Courage Best, a bitter which used to be advertised on television specifically to appeal to the nostalgic wave. Unfortunately, it is a beer I have always considered to taste distinctly soapy.

The "guest beer" policy has therefore worked wonders for The Dacre, which now offers real ale drinkers the very genuine delights of Black Sheep from Masham in Yorkshire, or Spitfire, a hoppy bitter from the Faversham brewer Shepherd Neame. Food, however, is generally regarded as an aberration, except for Sunday lunchtime barbecues on the built-out sun-trap terrace at the back. And wine, by and large, is something John accuses the locals of doing at closing time.

Hospitable to passing trade and a home from home for the regulars, The Dacre is what a local ought to be: a genuine social service.

■ The Dacre Arms, 11 Kingswood Place, London SE13 5BU, tel: 0181-244 2404

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Chum's capital choice was anything but a square deal

Corporate customers may revel in this restaurant. Nicholas Lander did not

It was the time and the occasion for a celebratory lunch. After six months of battling against illness, an old friend was back at work.

When I told him that he could choose from all London's West End restaurants there was a pause at the other end of the line. Perhaps it was the memory of all that hospital food that made him hesitate but eventually his request was for lunch at The Square, the two star Michelin restaurant on Bond Street.

There was no hesitation at my end. The lasting memory of my most recent lunch there had been of seeing the chef, Philip Howard, dressed in his whites, walk through the restaurant and out of the front door as we waited too long for our main course. But this was to be his treat and The Square's wine list is one of the best in town.

Although it was somewhat aggressively sold, when I asked for two glasses of champagne I was only offered the vintage 1988 at an unspecified price which I later discovered was £12.50 a glass. With a little probing I found they also served an excellent Jacquesson non-vintage at a more reasonable £8.

The Square's lunch menu is just the right size. There are half a dozen choices for each course; these incorporate an intelligent mix of the esoteric such as oysters, foie gras and caviar, and the more comforting, chicken, a duck consommé and roast halibut with mashed potatoes. But, sadly, the execution of almost everything we ate was very poor.

My guest, feeling the cold, ordered the pea soup with sweetbread and ham beignets, while I, encouraged by his appearance and the champagne, chose buttered Jersey Royal potatoes with caviar. This can be a wonderful way of serving these barbingers of spring, whereby larger Jerseys are steamed, their centres taken out and gently replaced with sour cream and topped off with caviar.

But what arrived was a travesty. The scrubbed potatoes were served swimming in an unspecified and unnecessary broth that was so salty it was impossible to

finish. And there was but a thimbleful of caviar, barely covering one potato, nowhere near enough to justify the dish's £12 price tag, however good the caviar.

A far too heavy use of the salt crock, a common criticism of French cooking in France, was prevalent throughout our meal. Although the pea soup was delicious, the beignets were far too salty and, once added to the soup, adversely affected its flavour. The sauces on both our main courses suffered from this same professional misjudgment.

Misjudgment is one thing but my ballotine of chicken with darts and taking account of Vet, this dish produces a huge gross profit. The Square's costs may be high but this kind of pricing does justify the widely held, if slightly sweeping, opinion that many of London's restaurants are just too expensive by comparison with their counterparts in other capital cities.

We sought solace in the desserts but this was neither easy nor ultimately satisfying. We discarded the tart tatin with bananas as another modern culinary fad, this dish only really works well in the original with slightly sharp apples to contrast with the sweet pastry and caramelised sauce), and sorbets or strawberry mille-feuille with raspberries as unsuitable for a cold, windy day and were left with a crème caramel with orange and a pear clafoutis tart with chocolate.

The orange provided a refreshing lift but the crème caramel itself was heavy - or classy, as they say in Lancashire - as was the bizarre and unsuccessful combination of pear and chocolate which would have benefited from some crème fraîche.

My bill, including a half-bottle of heart-warming Ridge Zinfandel 1994, expertly decanted and served, two coffees but no petits fours, came to £127.68. This is an amount I would not begrudge a dear friend but I do consider excessive for this standard of cooking.

The Square's owners will shrug off the odd bad review such as this. Its location, its proximity to so many corporate head offices, means it is most widely used by expense account holders for whom the convenience and full-service are important.

But on the basis of this meal, Philip Howard, perhaps distracted by the opening of the group's latest restaurant, The Glasshouse, in Epsom, Surrey, (0181-940 6777) needs to concentrate the minds of his Square brigade and, even more important, to relax many of his dishes.

■ The Square, 6-10 Bruton Street, London W1, tel: 0171-493 7100. Open all week except Saturday and Sunday lunch; £60 per person.

with postscript) that calls for a cut that should be easily accessible to all readers. It is a dish of delicious simplicity, providing of course, as Henderson notes, "when buying your ham, you avoid pink things in balneat; look for organic and free-range if possible".

■ Nose to Tail Eating, A Kind of British Cooking, by Fergus Henderson will be published by Macmillan on May 5 at £25.

■ St John is at 26 St John Street, London EC1; tel: 0171-251 0843

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How to spend



FOOD AND DRINK

EATING OUT

Dandelion, heartsease, borage – and that's just the puds

Sue Style takes a trip to the Black Forest and relishes gâteaux of heroic proportions and soups she had despaired of finding again

At the front of the Michelin Guide in the section on choosing a hotel or restaurant, under the heading "Peaceful atmosphere and setting", and sandwiched somewhere between the park and the sea, there are two identical symbols, one red and one black. Is it a bird? A rocking chair? Opinions vary. We reckon the latter, and are constantly on the lookout for these establishments, which are characterised as *très tranquille*, even, if you're lucky, *très* as well.

Outstanding in this category is the Bergasthof Sonnhalde, tucked away above a tiny village called Bärchau in the depths of the southern Black Forest. It is the ultimate get-away-from-it-all *Gasthof*.

Though it could be called a hotel, it's really more of a *restaurant avec chambres*. The rooms are a little dark and somewhat spartan and the bathrooms pretty grim – the German word *Nasszelle* (wet cell) says it all.

It's the food that lifts this little family-owned place into a category different from most others in the neighbourhood. You can eat quite well in many places in the Black Forest. What distinguishes the Sonnhalde is the emphasis on locally raised and/or freshly gathered produce, simply cooked and beautifully served. You can eat in the dining room, a long conservatory-like area hung on the side of the hotel overlooking the valley and the village, in one of the cosy little *Stuben*, or out on the terrace beneath the plane trees.

In summer, two trestle tables stand by the entrance to the hotel. One is reserved for the day's wild mushroom finds, each

carefully labelled with its German and Latin name; the other bears little jam jars and pots of the many different wild flower varieties found in the steep meadows behind the hotel, likewise identified. The Sonnhalde also has its own herb garden.

Generally speaking, soups seem to fall into one of two categories: either they are thinly disguised vehicles for monosodium glutamate, or they go all up-market and start calling themselves *consommés*. The Sonnhalde has soups such as you had despaired of ever finding again.

They are based on proper pieces of recognisable seasonal

vegetables and/or wild mushrooms and serious, home-made stock, enriched with a suspension of whipped cream. Neither fancy ingredients nor regularly makes a meal of soup, ordering up to three different sorts to satisfy himself that nothing has been missed.)

In the middle are the *Mischpätz* – mushrooms for mixing. Chef Bernd Roser incorporates them into *ragouts* or omelettes, wraps *crêpes* around them or serves them over blini-like buckwheat pancakes or piles of thinly cut, home-made ribbon noodles.

There is also pinky roasted lamb from the village, venison and wild boar from the surrounding forest and trout from the River Wieslet, which tumbles merrily down the valley below.

And thanks to its wide selection of creative vegetable- and grain-based dishes, the Sonnhalde is one of the few places in this part of the world where both omnivores and

non-meat-eaters can find plenty of exciting and delicious things to eat.

At the other end of the meal, the desserts and cakes run the whole gamut of expectations from the ultra-traditional to the startling and special. I recall a creamy parfait based on dandelion flower honey, gaily decorated with heartsease and borage flowers, fruit-based mousses and wonderful cherry, apple or plum tarts, depending on the season.

Throughout the afternoon, Bernd turns out a tireless stream of Black Forest cakes and *Quarkkortes* of heroic proportions for the countless weary walkers and cross-country skiers who drop by for *Kaffee und Kuchen* (the area is a paradise for all of the afore-mentioned).

Good food, a peaceful setting, and simple hospitality in the (almost) lost sense of the word.

■ *Bergasthof Hotel Sonnhalde*, 79683 Bärchau, Germany. Tel: +49 7829 260, fax +49 7829 1737.

There's at least one guest who regularly makes a meal of soup, ordering up to three different sorts to satisfy himself that nothing has been missed

foolish nomenclature: just *Togessuppe* – soup of the day. This, and many other dishes, draws customers from all over Germany, north-west Switzerland and Alsace. The hotel says there is at least one guest who

mushrooms – *Pfifferlinge* (chanterelles), *Steinpilze* (oeps) and various other little fungi finds which swell the basket (and the heart) of the mushroom-picker and which are known collectively in German as

Tradition curries less favour

The Friday night tikka is giving way to more unusual fare from new-wave chefs, writes Iqbal Wahhab

Look out Café Rouge and Pizza Express, here come Shmia Pinks, Soho Spice and Pukkabar. The curry entrepreneurs who own them aim to turn all three into nationwide household names, too, over the next two or three years.

These are difficult times for Britain's traditional Indian restaurant sector, caught between losing trade to supermarket products – standardised, trustworthy, cheap – and to the newly emergent chains.

The first generation migrant settlers who gave the UK a taste for Indian food did their job too well. They popularised their cuisine to such an extent that there is too much similar competition in the market.

It is time for the next generation of Indian restaurateurs to emerge and do what we all want them to do – take over their fathers' businesses and reinvent them. Yet the sad truth is that the children of Indian restaurateurs don't want to follow their parents into a trade which is typified for them by long hours, low margins and late-night drunks.

Most Indian restaurants are still commercial, rather than culinary, operations. Out of about 8,000 establishments, fewer than a dozen are chef-owned and so changes in culinary direction are slow to emerge.

True, large numbers have brought in interior designers, exchanging dark-red flock for cool pastels. But has the cooking really changed?

Kitchens are not being empowered quickly enough and some chefs are seeking to striking off on their own. The French-style chef patron is starting to emerge. Udit Sarkhel, for instance, left an

extremely comfortable job as executive chef of The Bombay Brasserie in Courtfield Road, London SW7, to set up his own establishment in south London. Vineet Bhatia, previously of the Star of India in South Kensington, London, has put his name above the door at his new venture in Hammersmith.

Both have achieved acclaim for their cuisine, unshackled by margin-obsessed owners who also fear that a famous chef is a poschable one. Both are also following in the footsteps of Cyrus Todiwalla, exuberant chef and founder of Café Spice Namaste in east London, who is at least partly responsible for making diners rethink the way we eat Indian food.

Clear and robust spicing plus the inclusion of unusual ingredients make his menus intriguing reading. With such dishes as kangaroo tikka, bison vindaloo and peacock salad, he has taught us to change our attitudes.

"What I did was to show Britain that there are more ways to view Indian dining than had previously been thought of or promoted," he says.

"Getting the right chefs is only part of the problem: it's more a question of building their confidence to a level where they can really shine."

With traditional owners reluctant, perhaps, to give their cooks free rein, the onus falls on the likes of Todiwalla. "My second chef came here from Goa," he says, "and if he hadn't wanted to return there, I would have given him his own restaurant. That's the way things will change."

With his wife Perween, Todiwalla actively promoted his new-style dishes to customers at first,



Look – no flock wallpaper: the Rasa chain specialises in food from the Kerala area of south India

and now his two restaurants heave with patrons seeking out his next invention. He has had a cookbook published and it will not be long before his next television venture. An Indian super-chef is in the making, and Sarkhel and Bhatia will not be far behind.

Indian restaurants that are new wave in appearance are starting to develop new wave cooking, moving away from routine sauces and ingredients, or adapting and assembling them in different ways. One such is Tam-

arind, where Atul Kocher is modernising his menu in form and content.

Udit Sarkhel talks of going to a traditional miller in Gloucestershire and using an ancient form of wheat to make chapattis over an open flame on a cast-iron griddle. "That is how I think Indian cuisine should develop," he says, "by keeping the traditional forms of cooking and looking at the nature of the ingredients we use to make them."

He believes there is still a gap in the market which no Indian

chef has filled. He compares it to what Paul Bocuse did for French food when he popularised *nouvelle cuisine*. It's the next big thing for Indian food and the race is on to see who will win in this fiercely fought competition.

One of the front-runners is certainly Vineet Bhatia, who trained in Indian cuisine with the Oberoi hotel chain in Bombay and is now spending time with chefs such as Mark Hix of The Ivy and Giorgio Locatelli of Zafferano.

Bhatia believes there is much to learn from Europe in terms of

a more open approach to ingredients, thus releasing him from the shackles of authenticity. He is looking to present Indian dishes just as a European chef would.

While Bhatia innovates, others go to the regions of India. The three branches of Das Sreedharan's Rasa chain specialise in the cuisine of his native Kerala in south India. Dishes from this region are a revelation, far removed from curry houses.

The British ritual of chicken tikka masala on a Friday night still has a large following but is a

long way from the sort of cooking these new chefs are attempting. They provide a glimpse of where Indian cuisine can really go.

■ Sarkhel, 199 Replingham Road, London SW18 5LX. Tel: 0181-870 1483.

■ Vineet Bhatia, 291 King Street, London W6 9NH (0181-748 7345).

■ Café Spice Namaste, 16 Prescott Street, London E1 6AZ (0171-488 9942).

■ Tamarind, 20 Queen Street, London W1X 7PJ. (0171-639 3561).

■ Rasa, 6 Dering Street, London W1R 9AB (0171-629 1346).

The flat, rice-growing lands around Sacramento were far behind. The car engine strained as the road wound up into the foothills of the Sierra Nevada mountains. First, Marysville and then on, in the direction of Brownsville, Squaw Valley and Lake Tahoe were in the distance, farther up.

Over the dinner table back in San Francisco I had heard talk of a winery called Renaissance high in the hills. A group of people, members of some obscure community, had battled with mountain rock and scrub to build one of California's premier vineyards.

"The Renaissance winery is well away from California's main vine-growing estates in the Napa Valley and areas farther north. Yet the Renaissance label has a considerable reputation; its wines have been consumed regularly at White House functions, and have won a rack-full of awards, both national and international. Intriguingly, the winery also has its own opera and ballet companies, an orchestra, a lavish collection of antiques

Making wine in the lap of gods

Renaissance wine is produced at Apollo. Where else but in California, asks a perplexed Kieran Cooke

– and a seemingly limitless supply of cash.

I met Paul Harvey, president of Renaissance, in the small village of Oregon House. "Wine production is only one aspect of our life," he said. "The whole property here, which we call Apollo, is a laboratory for the principles we study."

Apollo is run by a group called the Fellowship of Friends, founded in Carmel, California, in 1970. The group's philosophy is not easy to understand; it involves concepts termed self-remembering and the fourth way, and is based on the teachings of two turn-of-the-century Russian philosophers, George Gurdjieff and Peter Ouspensky.

"We reject the idea we are a cult," said Harvey, as we bumped around in his Jeep, past a guard post and into one of the finest vineyards I have seen.

Cypress trees lined the road winding through the neat terraces of vines. There was an olive grove. Statues surrounded an ornamental lake. A white neo-classical pavilion – the Apollo Academy – stood amid a delicately patterned rose garden. "Everything is full of the Gods," said the inscription beneath the portico.

Harvey, who spent 20

years on Wall Street before joining the Apollo project, said the fundamental belief of the fellowship was that man as he was presented to the world was not a complete being. Only by using various psychological tools and through the pressure of work and other activities was it possible to induce evolution. "Intense self-awareness, a positive outlook and a commitment to art and

The philosophy is not easy to understand; it involves self-remembering and the fourth way

high culture lead to a higher consciousness," says a fellowship brochure.

I had difficulty grappling with these ideas as we drove down the rutted roads of the estate. The Apollo project covers more than 1,200 acres; work on clearing the land began soon after the fellowship bought the property in the early 1970s.

Rocks were dynamited and 175,000 holes drilled and filled with compost before vines were planted. Wine

production, covering 365 acres, started in 1986. The area is hilly and encompasses several microclimates. As a result, more than a dozen varieties are produced under the Renaissance label, ranging from big reds to sweet dessert wines.

Output is relatively small by California standards – about 40,000 cases a year. The winery had a turnover of \$3m last year and is, according to Harvey, moving towards break-even point.

"We have a system of tithes through which members contribute a certain percentage of their income. Apollo's development came about entirely from the Fellowship's own income stream."

The fellowship says it has 2,000 members worldwide, about 600 of whom, of various nationalities, work on the Apollo project. The community has its own school – "The Lewis Carroll" – and its own baseball team.

Over lunch and a tasting session at the winery restaurant I met Gideon Beinstock, the chief winemaker, who describes himself as a French Israeli.

"This is not an easy operation to understand or to run," said Beinstock. "We are all amateurs, without any formal training in the wine-making business. The



fellowship has certain rules – like no smoking or drugs. A member is asked to leave if he or she displays what we call excessive negativity. Negativity gets in the way of evolution. You must always try to be positive. That means I cannot shout or scream or criticise people. Sometimes it's frustrating."

Eliza Tudor is in charge of the arts programme at Apollo. Her voice is straight out of an English country house drawing room.

"Apollo is dedicated to preserving the classical traditions, and that includes both wine-making and the arts," she said. Up here, in what many would consider to be the back of beyond, the Apollo opera company is putting on *The Marriage of Figaro* while the theatre company is staging *Othello*.

I asked about adverse publicity the fellowship has received. Some former members have alleged they were subjected to brainwashing;

there have been allegations of sexual impropriety involving Robert Burton, the fellowship's founder, who is referred to as "The Teacher" by fellowship members.

"In the past," said Harvey, "we have been rather secretive and ignored the adverse publicity. Now I think there is a wider understanding of what we are engaged in here. People can't help being impressed when they visit us."

Full of wine and good food,

we came to the last stop on the tour – the Apollo Academy, which houses one of California's most prized art and antique collections and doubles as the home of "The Teacher". Burton was away in Europe, searching for artefacts. One of the tenets of the fellowship's teaching is the need for renewal and change. The academy's contents are regularly traded.

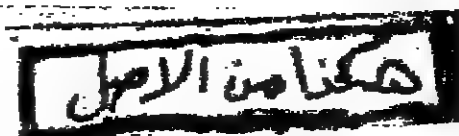
In the 1970s, Burton built up a valuable collection of 18th century porcelain and silver plate. After a while, this was sold off and a selection of Old Masters bought with the proceeds. Subsequently, the academy built up the world's largest collection of Ming dynasty furniture. In 1994, Burton and the fellowship abruptly sold off its Chinese antiques and turned instead to French and Italian decorative art.

"Burton must be immensely wealthy," I said as we drove past the guard post and out into the world. "He has nothing," replied Harvey. "Everything belongs to the fellowship."

It is all a little surreal. The fellowship's teachings and the source of its undoubted wealth, are still rather a mystery. Renaissance wines are far easier to appreciate and understand.

■ Renaissance Vineyard & Winery, POB 829, Apollo, Oregon, House, Ca 95962. Renaissance Wines are imported into the UK by Southern Wine Brands of Huddersfield, Tel: 01484-608888, fax 01484-608495.

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EDUCATION

Opening up the gates in Oxbridge

Simon Targett describes efforts to encourage state students to enter the ancient universities

Oxford and Cambridge admit roughly half of their undergraduates from fee-paying independent schools: it is a statistic that embarrasses the universities because less than 10 per cent of Britain's children are educated privately.

Over the years, the two ancient universities have tried to correct this imbalance, notably by dropping the exclusive entrance examination, which was thought to play into the hands of private schools able to lay on extra tuition for their pupils.

In the last year, the universities, under pressure from a government running an education strategy for "the many, not the few", have taken further steps.

Oxford has sent out a recruitment video to every state school, while Cambridge has distributed glossy posters aimed at wooing pupils who had never thought once, never mind twice, about applying to one of its elite colleges.

But for Peter Lamp, a self-made millionaire who is behind the government's scheme to build bridges between the private and state sectors, this is all "just bootstrap stuff", which will not change the ratio of private to state school pupils with an MA (Oxon) or MA (Cantab) after their name.

It is for this reason that he is putting some of his personal fortune into a series of summer schools - located at Oxford and Cambridge, as well as Bristol and Nottingham, two top "redbrick" universities - so that bright pupils from comprehensive schools can get a taste of what it is like to go to a top-class British university.

Lamp, who made his money as founder and chairman of the Sutton Company, an investment and private equity firm, went to state schools in Reigate and Cheltenham before winning a place at Oxford in the 1960s.

After finishing his chemistry degree, he moved into management consultancy, travelling to the US and Europe with the Boston Consulting Group, and it was only when he returned to the UK in the mid-1980s that he discovered state school pupils were no longer dominating entry to Oxbridge, as they had in the late 1960s and early 1970s.

The change - a result of state schools switching to comprehensive status or, in the case of direct grant schools, joining the private sector - was alarming. Among other things, it meant that the universities were probably missing brilliant students from poor backgrounds.

"My best mate's dad was a bus conductor from the Rhonda Valley and it's frightening to think he might not get through the system today," The friend, whom Lamp chose not to name, is now a fellow of the Royal Society, a professor at Nottingham University and, according to Lamp, "may win a Nobel prize one day".

Lamp commissioned some research, and uncovered what he calls a "horrific statistic", highlighting the fact that the problem facing Oxford and Cambridge is not just the balance between private and state schools but also between selective and non-selective state schools.

"If you take out the kids from selective state schools," Lamp says, referring to grammar schools with the 11-plus test and



Peter Lamp: shocked that 'the number of kids that get to Oxford from what I would call genuine comprehensives is about 20 per cent'

Colin Brown

comprehensives such as the London Oratory, where Tony Blair sends his two sons. "Then the number of kids that get to Oxford from what I would call genuine comprehensives is about 20 per cent".

That, he thinks, is shocking and a massive waste because the evidence is that talented pupils are being denied access to Britain's best universities.

Oxford might not have topped the Financial Times league table of top universities, published earlier this month, but it bears Cambridge in the international reputation stakes, according to Lamp.

"Oxford and Cambridge have

got an incredible worldwide reputation - particularly Oxford, because of the Rhodes scholarship," he says.

"If you get into Oxbridge, you're made in this country."

'If Oxbridge reflected A-level performance, it should be at least two-thirds state and one-third private'

He debunks the myth that state schools do not produce good enough candidates. "If Oxbridge reflected A-level performance, then it should be at least two-thirds state and one-third private," Lamp estimates, explain-

ing that 60 per cent of pupils achieving at least three A grades at A-level come from state schools. So, given that state school pupils are good enough for Oxford and Cambridge the next

step is to persuade more pupils to apply - and his method of persuasion is the summer school, modelled on the recruitment system favoured by US "ivy league" universities.

At a summer school, sixth-formers spend a week at university students, going to tutorials and social events. Everything is paid for, including accommodation, meals, transport and tuition.

Two years ago, the Sutton Trust, Lamp's charitable foundation, funded an Oxford summer school for 80 pupils from state schools with no recent record of sending pupils for admission among the dreaming spires.

Of these, one-quarter entered Oxford as undergraduates last year. Boosted by this success, the trust doubled the number of places last year, and extended the initiative to Cambridge, Bristol and Nottingham. From this group, 31 per cent of Oxford

could spend just £1.5m to have a US-style system, adding that the sum "is not a lot when you think it is selecting the future leaders of society".

participants and 36 per cent of Cambridge participants have been offered places on the highly competitive undergraduate courses.

This year, there will be 250 places on the Oxford summer school, 120 at Cambridge, and 75 at Bristol and Nottingham.

Lamp would like to see the Oxford summer school provide for 1,000 pupils. "If that happened - and Harvard's summer school has about 1,600 - and let us say that around 30 per cent got in, that's 300 kids, and it's not just symbolic: you would be impacting on the whole university."

He knows, however, that there can be no overnight transformation - and partly because of this, his own children, still only infants, will be educated in the private sector.

"I'd like to send them to state schools, but my wife is having none of it," he says. "If you go to one of the top 100 independent day schools, which account for about 25 per cent of entrants to Oxbridge, your chances of getting to Oxbridge are about 100 times better than they are if you go to a comprehensive."

What would shake things up would be wholesale reform of the admissions system. Lamp would like to see Oxford and Cambridge follow the American system.

"Oxbridge does next to no recruitment," he says, especially compared with Harvard. There, at the oldest US university, some 80 full-time admissions officers are employed to look for good candidates. In Oxford and Cambridge there are just a handful of admissions people, plus academics in the colleges with part-time responsibility for admissions duties.

Lamp would welcome positive discrimination in the UK of the kind that is popular in the US.

"Harvard says, 'We'll take a kid from the inner city and they may have lower academic achievement, and we know he's not going to get as good a degree as a kid from a top private school, but he's going to go out into the world and he's going to make a huge difference'."

Lamp estimates that Oxford could spend just £1.5m to have a US-style system, adding that the sum "is not a lot when you think it is selecting the future leaders of society".

Until that happens, Lamp fears that Oxford and Cambridge will not witness any deep-rooted change in their students.

"I'm a meritocrat. I believe in genuine equality of opportunity, but I think we're a long way away from it in this country."

Jackson Pollock's "Summertime" - one of the stars of the Tate Gallery's retrospective on the great American artist - has a splash of colour dancing across the canvas, as if to the sound of Ella Fitzgerald and Louis Armstrong.

It looks easy, like the "livin'" in the song, and because of this and the exhibition, Britain's top art academies are expecting a gold rush of would-be Pollocks for their summer schools this year.

The Pollock exhibition, together with the sell-out Monet exhibition which has just closed at the Royal Academy, have generated enormous interest, "stirring the soul and encouraging people to have a go," says Lucy Groat, of the Slade School of Fine Art.

Slade, part of University College London, one of Britain's top universities, is running its renowned summer school, which

Pollock blockbuster sparks adoring rush

Art academies expect a surge of applications from would-be artists for summer school courses, writes Simon Targett

features courses in painting, drawing and sculpture.

There is a 10-week "alternative foundation course", which costs a princely £2,500, or a series of two-week courses, costing 2500 each.

Some, like the basic life drawing class, are open to all-comers, while others, especially the two-week master classes, which cost £750, require students to submit a portfolio.

But whether happy amateur or aspiring professional, the Slade expects a serious approach, and says what it offers is "education not recreation".

Another artist's drawcard, Central St Martin's College of Art

and Design, is offering more than 200 courses, including "drawing and painting for those who think they can't" which costs £285 for one week.

There is also a three-week experimental course, costing £555, which offers students "a chance to make mistakes, be destructive, and create".

Further out from central London, Wimbledon School of Art, which boasts a winner of the Turner prize among its past students, has one-week courses ranging from "still life" (£165) to "painting people" (£190).

Other art academies include Heatherley School of Fine Art, based in Chelsea and founded

more than 160 years ago, which is running one-week courses for just £115, and the Hampstead School of Art, which is holding several workshops for adults and children.

For budding critics, there are several summer schools specialising in the learned appreciation of fine art. The Courtauld Institute of Art, where the late Anthony Blunt taught while he was surveyor of the Queen's pictures, is hosting its fourth summer school, running such one-week courses as "Cezanne and the Primitive", "Raphael and the High Renaissance in Rome" and "Contemporary Art in Britain" -

each for a fee of £275.

The Victoria and Albert Museum is laying on a month-long course called "The History of the Visual Arts in the West", assuring students ready to pay the £450 fee that "no prior knowledge of art history is needed".

Just as the art summer school is set for a big revival this year, so too is the Shakespeare summer school. In the wake of the Oscar-winning film *Shakespeare in Love*, the Globe Theatre in Southwark is expecting more people to sign up for its summer programme of lectures and workshops.

Deborah Callan, co-ordinator of

the Globe's educational arm, says people are asking whether *Shakespeare in Love* was filmed at the theatre and whether the Globe is going to present *Romeo and Juliet*.

The courses vary from top-of-the-range weekend "public workshops", run by actor Mark Rylance, which cost £55 or £70, depending on whether a grounding or a gallery ticket to performances is thrown in - to 2½-a-time "walkshops", which are actor-led tours around Southwark, dubbed "London's Elizabethan playground of pleasure".

Beyond the Globe, Redbridge Institute of Adult Education is offering a one-day course called "Shakespeare in Love - Romeo and Juliet", while Tower Hamlets "summer university" has a "practical and non-academic look" at Shakespeare's plays through the eyes of top actors, including Peter Ellis, who stars in *The Bill*.

There are also summer classes for budding Joseph Fiennes and Gwyneth Paltrow - the two leads in *Shakespeare in Love*. Mountview Arts Centre, in Wood Green, north London, a conservative for the performing arts, has three summer schools for actors. One, "acting for the screen", is a two-week, fast-track course, costing £550.

If all this sounds rather serious, then the Mary Ward Centre, an adult and community college near the British Museum, has the perfect antidote in a beginners' course called, with disarming frankness, the "Duffer's Guide to Art".

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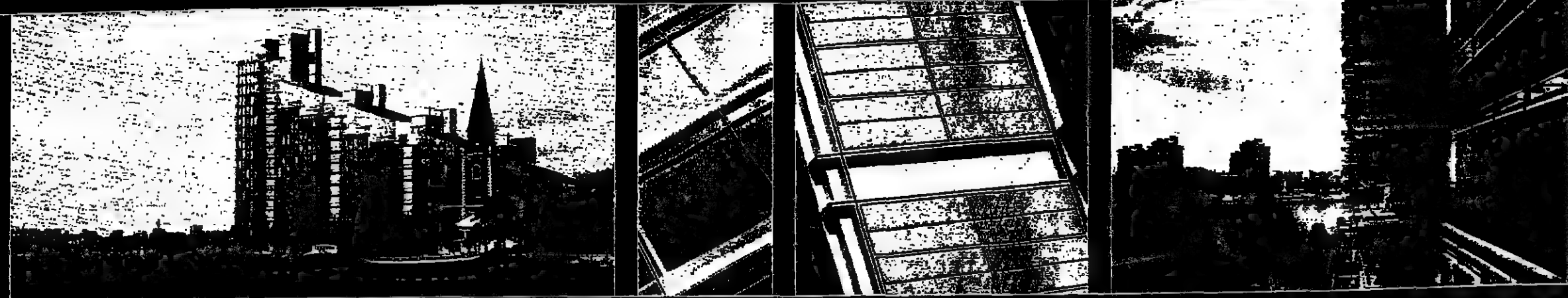
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PROPERTY / OUTDOORS



Happily adapted to modern housing: Douglas Chirside (left) and Michael Attwell, with Helen Mason, who found them their Notting Hill bargain

A house-to-house collection

Anne Spackman talks to two trend-spotters who are buying a new home – but keeping the old one, too

Like many people approaching 50, Michael Attwell's experience of property ownership has been one of consistent money-making, punctuated by one loss earlier in the 1990s. He has a pension, but no clear idea of the quality of life it will bring him in 15 years.

That is precisely the combination of factors which is leading so many people to jump aboard the buy-to-let bandwagon. They feel more confident investing in the familiar world of property than in the intangible world of stocks and shares.

Michael Attwell and his partner, Douglas Chirside, felt exactly that. But instead of buying an investment property, they have chosen to "keep-to-let" instead.

It was only when he was preparing to sell his house to move to Notting Hill that it struck Attwell just how valuable an asset it was. A period house, just 20 yards from the Thames in Chiswick, it had almost doubled in value since he bought it for £235,000 three years ago.

He mentioned this to his solicitor, who suggested he hold on to it as a rental investment, while buying the new property he wanted.

It turned out that the solicitor had adopted this policy throughout his life and was now the proud owner of more than a dozen homes. "I wish I had done it when I first started buying property 30 odd years ago," Attwell says.

The first potential hurdle to overcome was finance. Their existing lender did not offer buy-to-let mortgages, so they went to Woolwich Direct, which specialised in the business.

The Woolwich offered them a buy-to-let mortgage on their Chiswick house, based on its rental value, which allowed them to pay off the original mortgage on the property and have some cash left over to put towards the new one. It also offered them a normal mortgage on the new house they wanted to buy.

The one disadvantage of not selling the Chiswick house is that they cannot release the equity tied up in it. Anyone trading up to a more expensive house would find it difficult to make the sums work.

Their total borrowing adds up to more than £500,000. Such a sum leaves the pair relatively unworried for two

reasons. First, they have had their house on the market for 2450,000 and received offers which confirm its value and its saleability.

Second, it is an unusually attractive rental property. They have restored its period features, put in a new kitchen and painted it in colours from the fashionable Farrow and Ball range. More important in today's over-supplied rental market, As Notting Hill is more expensive than Chiswick, the couple assumed they would have to trade down from a four-bedroom house

wick house they were very impressed with the local estate agent who found it for them, Helen Mason. When they decided to move to Notting Hill, they contacted Mason, who in the meantime had set up her own business, Mountgrange Agencies.

As Notting Hill is more expensive than Chiswick, the couple assumed they would have to trade down from a four-bedroom house

period architecture is king. Having already adapted happily to modern housing in their American home in Palm Springs, Attwell and Chirside saw that as a positive bonus.

"We are going from somewhere with lots of clutter to somewhere which will look untidy if you don't put your pencil down in alignment with the desk," Chirside says. "We get to look out at the lovely period architecture of Eigin Crescent through our floor-to-ceiling windows and they get to look at us."

Not only did Helen Mason find the new house for them, but she has also been marketing the old one. When they move out, her firm will take charge of the lettings and management, which leaves the whole process in familiar hands.

When it first occurred to Attwell to consider his home as an investment vehicle, a friend in the property business suggested he sell it and buy three small flats instead. She correctly explained that flats bring in a better income than houses, which in retirement might be a bonus. (Houses, however, are better for capital growth, which is

often the main motive for investing.)

Attwell was put off by the potential hassle involved. "I know about property, but I don't want to make it my prime business," he explains. "If two years down the line I have some spare cash, I might consider buying another property purely for investment purposes."

Chirside thought it risky to buy any property he would not wish to live in himself. He believes their very positive experiences in the property market – their Palm Springs house has trebled in value in a couple of years – is partly due to following their gut instincts.

Both men work primarily in the television industry, where Attwell is controller of features at Channel 5 and Chirside is a producer, as well as a novelist. "In the television business we always work at least 18 months ahead," Chirside points out. "We are professional predictors of trends."

Conversations with their friends and colleagues lead them to suspect that "keep-to-let" may be a trend for the future.

Mountgrange Agencies, tel: 0171-937 9007.

FISHING TOM FORT

Angling for a better way to go

Although I am fond of fish, I do not wish, when I am gone, to be turned into food for them. True, a good many of them have been food for me. But the notion of reversing the roles strikes me as a touch creepy.

Yet it happens. Twice in the past few months I have come across reports that an old angler's dying wish – to have his ashes cast upon the waters beside his favourite spot – has been discharged by his nearest and dearest.

I wonder how they manage it. To scatter the ashes on the surface and set them drifting off downstream might well set off an unpleasant scene. I mean, we have enough trouble with swans. Who needs someone's mortal remains floating by as well?

You could, I suppose, mix them up with some groundbait to encourage them to sink. But I would have thought the procedure – blending it all together in a bucket and chucking it out – might be a little upsetting for the relatives, however fond the old chap may have been of his fishing.

One thing you can be sure of, though: the fish won't turn up their noses at it. However much they may have appreciated old Harry's regular appearances on the bank overhead, and the tender way that, having caught them, he put them back in the water, finer feelings will not restrain them from gobbling up what's left of him.

It's going too far to say that fish will eat anything. I've never heard of one being caught on a cucumber, or a slice of Welsh rarebit (incidentally, I remember reading somewhere that pigs can eat anything except the leaves of rhubarb – including, on occasions, pig farmers down to the soles of their Wellington boots). And indeed some species are extremely, not to say annoyingly, picky in their dietary habits.

The pike is not one of them. There is a story in one of the old books of a tyrant pike clamping its jaws on the fat and of a croquet mallet and being dragged ashore. I wouldn't actually recommend a croquet mallet as a lure, but the fish's reputation for voracity is not entirely based on myth.

I have, for instance, seen a photograph of two pike of identical size, both dead, the head of one lodged down the gullet of the other. And, although wilder tales of pike attacking boats, snapping the legs of swimming dogs and dragging swans under are undoubtedly fanciful,

GARDENING ROBIN LANE FOX

It's as plane as the magnolia on the hillside

Last week's frost browned the magnolias and spoiled the camellias in England. After six years, I have yet to see a fully opened spring flower on the magnolias in the Cotswolds. So I have just been to look at places where these lovely shrubs have been grown successfully for more than 100 years.

In Cornwall, the holy site for these shrubs from south-east Asia is Caerhays Castle, near Falmouth. It was here that collected seed arrived from Chinese shrubs from 1903 onwards, brought by the great collector, E.H. (Chinese) Wilson. Then and now, the huge property of Caer-

hays has been in the Williams family, who continue to garden it valiantly. Since the 1990s, Caerhays has operated a unique partnership with the gold medal-winning Burncoose Nurseries which is run by the next Williams in the line.

The family name is immortalised in the best hybrid camellias and the lovely low-growing Rhododendron Williamsianum, which was always exempt from my former prejudice against rhododendrons.

Caerhays' present owner, Julian Williams, met me by the castle door, pointed out the original parents of

Camellia Williamsii beside his front door, and set off at a steady pace to the overlooking hillside where we could see the predictable blobs of rose-red – some of the more vivid members of his rhododendron heritage.

How surprising, I thought to myself at ground level, that they planted so many plane trees in such a favoured place. We were beginning to climb the main hill and my host asked me what I thought of the view in front of us. I have almost no clue about rare rhododendrons, but there was a lowish white-flowered variety in the foreground

and I presumed it was one named after Veitch.

I had set my sights embarrassingly low. As I began to advance on it, with the family expert beside me, I was obliged to bluff. Julian Williams looked up to the sky and pointed with his stick. At a height of more than 60ft, an amazing canopy of white-flowered Chinese Magnolia veitchii was spread out against the blue sky, above one of the tree trunks which I had so ignorantly assumed to belong to plane trees.

You and I are familiar with magnolias of great age at heights of 20ft in our gardens. Here was a great canopy of rare and unsurpassable varieties, tall enough to hold their own among the plane trees in Berkeley Square in central London. They are nearly 100 years old and, in my view, they should be canonised and made honorary sitting members of the new House of Lords. I have never seen a more humbling and inspiring sight in nature.

Caerhays is still surrounded by hillsides containing original despatches from the first wave of collectors. Unlike Trewithen, its beautiful neighbour, it could not be landscaped round a single, select axis because it had to be the primary site for housing and growing on the Chinese introductions. The conditions are wonderfully receptive in most respects for the lime-hating, frost-averse members of the great families. The one disadvantage is the proximity of a magical stretch of coastline and consequent exposure to savage gales. In 1990, a fearful hurricane ruined the upper shelter-belt and

massacred about a quarter of Caerhays' plantings, though more than enough survived.

Williams reminds us that up to about March 20 is prime time for the magnolia season and recommends an early visit. Anyone who thinks they can combine the best of garden visiting with the summer months of seaside life is seriously mistaken.

Gale force winds provide opportunities for landowners with a long view and gardeners with a strong nerve. The need for a fresh start has given scope to Charles Williams, Caerhays' partner in the nearby Burncoose Nurseries. He and his father have used the aftermath of the great storms to replant with an even greater range of rarities, stronger, perhaps, on more recent hybrids than on the original, imported species.

Now that the debris has disappeared, the upper part of the garden promises yet another dimension. fit company for the lower plantings truly awesome connections to two great collectors, Wilson and George Forrest, whose original imports are still flourishing.

Charles Williams worked until 1987 as a merchant banker with Lazard's, but now heads an operation which has gone for growth in every sense of the term. Caerhays garden is a constant support for exhibits, rarities and material for propagation. He has presided over the consolidation of the trade in rare shrubs in Cornwall and his indispensable expert, David Knuckey, worked for years with the



Caerhays has examples of the creamy yellow-flowered magnolias

LUCY'S PLOT

Marauders that cost you deer

This is the beginning of the second year for my new garden. Last year only counts as practice; this year it's for real.

I had no idea that starting a garden would be such an attention-grabbing activity. I don't mean friends turning up to view or great aunts ringing up with advice, nor the planning office writing to complain about my potting shed; it's the eyes of the animal kingdom that are fixed on my little patch. Experience has shown me the extraordinary scale of fortifications needed to grow just a row or two of lettuces and a few roses.

Rabbits aren't gentlemen. Cute as you like, I must admit, but they've no sense

of restraint. I'm only too happy for Peter to have a little go at the corner of a lettuce – flattered, in fact, and I'm sure he'll enjoy it more than many who will have the pleasure later on. I know the lawn could be improved by a tiny trim, but it's take, take, take with rabbits.

To keep the rabbits out netting has to be dug into the ground; and it has to be high enough so they can't climb over the top should snow build up on the rabbits' side of the fence. The tines' space can admit a baby which then expands, feasting on the fruits of my labours, until it's too fat to leave, even if it wanted to. There are two of these characters under my hut now.

Deer, however, have some finer feelings; they like to admire a young tree, to watch its tender leaves unfold. Like me, they glow when they see handsome new shoots establish themselves. Then they bite off the main stem at about 3ft high and strip the whole thing. To keep deer off, you can hang up a pair of tights filled with lion dung.

If you like.

Stags are missing their ranks, too. They, I find, are boozey old buffers. They only require a decent bar in the form of a margarita carton with some beer in it and they prefer to congregate there. A quiet party but evidently a jolly one.

Lucy Ogilvie-Grant

former nursery of Treseders of Truro.

Spectators can never be sure what lies behind a prize-winning exhibit at a London flower show. I was amazed by the acreage of supporting tunnels, planting beds and display which underpins Burncoose, the only remaining specialist exhibitor of rhododendrons at RHS shows. The high points of the list are not yet as big as mature plane trees but they are shrubs which any serious owner of a lime-free garden should buy for future generations.

Burncoose is the main supplier of the wonderful hybrid magnolias raised in the family gardens at Caerhays, particularly the rich pink Magnolia Caerhays Surprise which flowers at a young age and is sensationally

beautiful. Burncoose also has a limited stock of the creamy yellow-flowered magnolias, the best of which were bred in the Brooklyn Botanic Gardens in New York. Magnolias of this class will just cost you £50 to £55 each, but I have seen the sort of specimens which the nursery sends out and can assure you they are not a foot high little twig.


Some garden-owners still like to profess a hostility to rhododendrons. The trouble is that they have not seen enough of them. They muddle them up with those excessively vibrant forms of azalea in vivid shades of carmine or they think instead of the uncontrolled mauve and red varieties which threaten to take over the region round Ascot in the home counties.

A visit to this great pair of Cornish gardens would dispel any such prejudices. Pale pinks, yellows and whites are at their entrancing best. Every great grower trembles slightly at the prospect of the lovely cream-yellow flowered Rhododendron steno-gaul, the variety with sensationally large leaves.

Not only will Burncoose sell you a big one for only £19.50, but the fine gardens which run beyond the nursery round the second of the Williams family properties have several specimens in full, bewitching flower. They are not the size of plane trees, but they are so unbelievably distinct and beautiful that they are instantly recognisable, even to those of us who have just mistaken a great magnolia for a sycamore.


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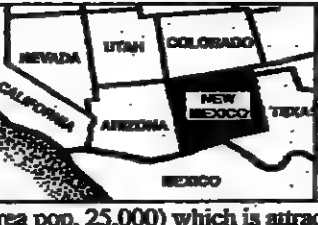
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TRAVEL

ENGLAND'S GLORY

Moated manor is a real find

Christopher McCooney follows the signs and discovers 650 years of history at Ightham Mote

Before it was bequeathed to the National Trust in 1985, Ightham Mote was a private house, open to the public one afternoon a week during the summer months. The challenge for visitors was not so much to get the right day but to find it. It is tucked away down narrow country lanes in the depths of the Weald.

Now it is looked after by the nation, for the nation is so much easier to get to... just follow the signs. And it is a find in both senses of the word. Many consider it the loveliest and most complete medieval and Tudor moated manor house in Britain.

Part of the building has been dated to the first half of the 14th century by dendrochronology (a technique for dating timbers by its growth rings). But there may have been an earlier building on the site, as the word "Mote" may be derived from the Anglo-Saxon word "mot", meaning "meeting place for local elders".

Ightham Mote, in Kent, is the product of 600 years of building and rebuilding and we should rejoice that it escaped fire, storm, war and - according to local legend - being knocked about by Cromwell's soldiers.

Apparently, they lost their way in the Wealden woods and looted a lesser house instead.

The site was chosen because a stream provided protection and a source of food. The narrow valley was dammed above the building to provide a slow pond for rearing fish, and then a moat was dug - the stream providing a constant supply so the water was always clear.

A second pond below the house received the overflow. The water

surrounding the house was probably designed to keep out robbers, rather than invaders.

The lower part of the tower on the north front is thought to be the oldest part of the building, along with the Great Hall across the courtyard. Two medieval contrivances survive in the tower: the first is a right-angled slit in the stonework within the gate, which allowed a letter to be passed to the gatekeeper or an identification to be shouted to him before admission was granted.

The second is an oubliette. Although built for a more brutal age, this mini-dungeon reached by a trapdoor was considered as a possible holding cell for a German pilot who parachuted into the gardens after being shot down in the second world war. In fact, he was held overnight in the crypt, watched over by the local Home Guard.

The mossy, cobbled courtyard enclosed by the four wings of the building is both secure and secluded. Dovecotes and wooden benches give it an intimate feeling.

Robinson had fallen in love with a picture of Ightham as a young man and years later, on a cycling tour, came upon it and recognised it as his dream house

The house was bought more than 100 years ago by Sir Thomas Colyer-Ferguson, who carried out much repair and restoration work after it had been largely neglected during the 300 years it had been occupied by the Selby



Ightham Mote: an English gem that has escaped fire, storm, war and being knocked about by Cromwell's soldiers

Christopher McCooney

family. The family coat of arms has been restored and can be seen over the main-studded oak door of the gatehouse.

Just before Sir Thomas bought Ightham, a senior American

house each time he visited the UK.

After centuries of rural slumber under the otherwise worthy Selbys - who provided local MPs and high sheriffs of Kent - the house welcomed a number of dazzling visitors who enjoyed its stunning location and rural charm. They included the painters Edward Burne-Jones and John Singer Sargent, the actress Ellen Terry and writers Henry James, William Morris and George Meredith.

A second American made his mark on the property half a century later. In 1951, the Colyer-Ferguson family line was about to die out and the property was put up for sale.

There was a suggestion that it

might be divided into flats or used for other purposes - it was, after all, a privately owned building and in those days it did not matter that it was of historic importance.

At the last moment, a group of local men stepped in to save Ightham Mote - a farmer, a builder and a chemist raised the necessary £6,500 to buy the freehold. They hoped someone else would buy from them the building that was crying out for tender loving care. For two years, although it had been made weather-proof, the building stood empty. Then in 1983 Charles Henry Robinson of Portland, Maine, saw it advertised in a back copy of Country Life.

He already knew the house. He

had fallen in love with it as a young man when he saw a picture of it in the window of a London art dealer's shop, and a few years later, on a bicycle tour of southern England, he came upon it and recognised it as his dream house.

Decades passed. He inherited a large sum of money and built up a profitable stationery business.

When he saw the advertisement, he came at once to England and made an offer, which was accepted. Travelling home on the Queen Mary, he had second thoughts. Crazy romantic extravagance came to mind. He wrote a letter withdrawing the offer, but never posted it.

Robinson bought Ightham Mote and made urgent repairs. In 1985,

he announced that he would bequeath the property to the National Trust and endow it with £85,000, believing that the property was of enduring historic and architectural significance.

Aged 83, Robinson died in 1985, and his ashes were interred, as he had requested, just outside the crypt with a tablet recording his name and his affection for the place. The trust took possession that same year and has spent hundreds of thousands of pounds in restoration and refurbishment of one of England's outstanding gems.

Ightham Mote, Ivy Hatch, Sevenoaks, Kent tel: 01733-310373 fax: 01733-811029. Open from April 1 to October 31. Entrance £4.50 for adults.

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TRAVEL

A man's a man for all that tartan teaching

Giles McDonogh dons a kilt, crunches a haggis and sinks a whisky or four as he prepares for independence by learning how to be Scottish

With all this talk of independence, the thought occurred to me recently that my hannocks might be better buttered in Scotland than in an ailing, decadent England.

But how would a half-Irish, half-continental European mongrel fit in with the idiosyncrasies of the north? As it happened, the Roxburgh Hotel in the Borders was running courses, so I put myself to the test.

I flew to Edinburgh. A fierce wind blew off the Firth of Forth and up through the New Town; it was accompanied by furies of snow and sleet relieved by showers of torrential rain. This was perfect training.

I dropped into a bookshop on Princes Street to acquire a volume of Burns and dipped into it that night at the Duh Prats restaurant in the Old Town.

There were quite a few fellow students in the capital's most uncompromisingly Gaelic restaurant. They were mostly Americans, relaxing after an arduous fitting for a McKloppstock or MacPogglol kilt. But there was also a French couple. Ah! The Auld Alliance is not dead, I thought. The girl spoke good English, while a sceptical older man had none, and no Scottish either: "Qu'est ce que tu dis? Quoi? Aggees? Comment écrit-on ça?"

That haggis was well conceived. It came coated in oatmeal - to give it a crunchiness it otherwise lacks - and accompanied by a leek and whisky sauce. Next came "collops in the pan" with a pickled walnut sauce. Nothing works better, I said to myself as I buttoned up my coat, than an intensive course.

The Geordie who drove me down to Roxburghshire asked if I minded staying in a "temperance hotel"? I thought with relief of the bottles I had acquired at Edinburgh's best Italian wine shop, Valvona and Crolla.

It transpired he was winding me up. The Duke of Roxburgh, who owns the eponymous hotel and 56,000 acres of farmland around it, even bottles his own whiskies, including an Orcaidian called Calchou, and the hotel's cellars were not exactly barren of cheerful bottles either.

A visit to the duke's home, the vast and palatial Floors Castle, was doubtless designed to show me how I might aspire to live were I to abandon my British passport for a Scottish one. Then I was whisked back to the hotel to meet a piper.

I was not looking forward to this. My views on Scotland's claim to musical fame - although not quite as unbuttoned - are similar to those described by Shylock: "When the bagpipe sings I' the nose [they] cannot contain their urine." I could well understand the instrument's martial uses; if you heard that coming over the hill, the temptation would be to turn tail and run.

Still, my tutor managed to make a harmonious noise on what appeared to be a frighteningly complicated contraption. I was summoned to



blow. I got a pronounced nasal drone, but was unable to elicit anything resembling a tune.

I was prepared for dinner. There was our friend the haggis which Burns thought such great shakes, and so greatly superior to those foreign rogoots or fricassees which he thought would make a sow sick. It was followed by excellent beef, and sticky toffee pudding.

There was wine with dinner, but it gave way to a whisky tasting. Here I might have gained full marks as a Scotsman, as I recognised the first three. Only the fourth stumped me and that was the Calchou, the duke's bottling from Highland Park, and a rare novelty. After a night sleeping it off in a room partly heated

Only the fourth whisky stumped me, and that was Calchou, the duke's bottling, and a rare novelty

by the logs in the grate, it was my turn to hurl a real caber in the company of a Scots giant in kilt and T-shirt. He disabused me. I had thought that tossing logs was something invented by lumberjacks, but no; when the Scottish kings robbed the volatile Highlanders of their claymores, they opted to prove their strength with anything which came to hand - bowls of porridge, clumps of heather, rocks and tree trunks.

The trick is to "tip" the caber, and land it at 12 o'clock. I was a failure. I concluded that an anthropoid ape, particularly a gorilla, would have the best physique for the job, and that was all the consolation I needed. We went inside where Archie Hume, the local Keltic tailor, had been brought in to fit me up in a kilt.

Not feeling as keen as your average Hiram P. McKloppstock, I put up resistance. Hume managed to dissipate this a little by showing me a County Clare tartan. The Irish have remained true to the territorial ideal.

Originally there were fewer than half a dozen in

Scotland, with colour variations dictated by the availability of natural dyes. Then everyone went bananas in the last century. Now some families can choose from half a dozen different patterns, and if the Lord Lyon approves, every McTom, McDick or McHarry can have one.

So I was decked out in MacLeod formal wear: frilly shirt, dickie bow tie, waistcoat with shiny buttons (bottom one undone), bum-freezer jacket, white socks with tartan flashes, skean dhu, black brogues - the works. As I sat down I wondered whether Scotsmen received any training on how to get out of cars or cross their legs. Our token Scotswoman said no: "Boys don't care."

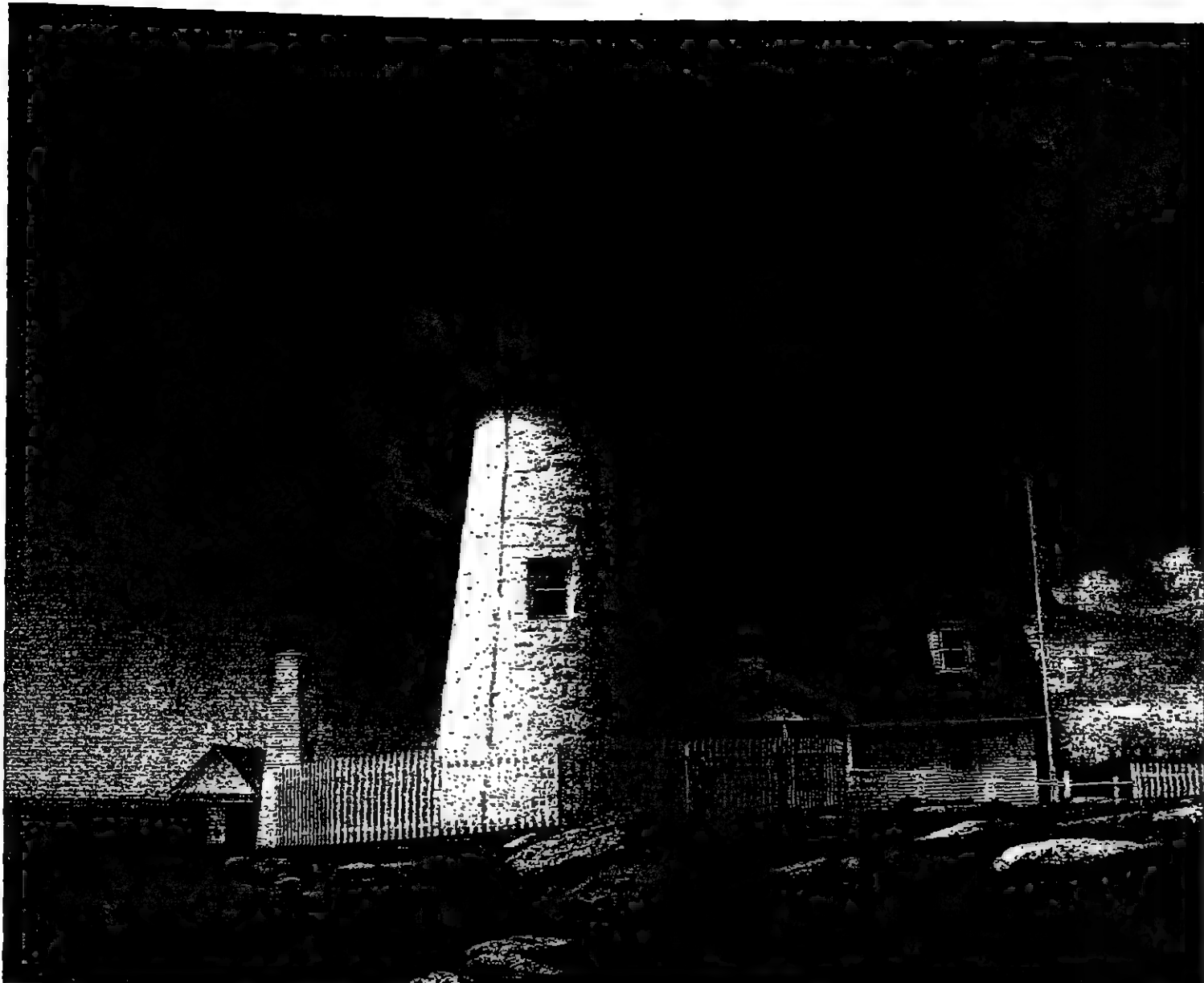
We broke for lunch, then we were joined by Alistair Ferguson who was going to teach me shooting and felling. We packed a rod and shotgun and I was led out to a turbid pool, allegedly stocked with rainbow trout.

It felt like an age as I slid up and down that muddy bank while the snow blew up my nostrils and my hands turned new and interesting shades of blue. Ferguson praised my gathering technique, but the trout were not taken in. They stayed snug in their weeds, clearly convinced it was a sassenach on the other end of the fly.

It was time to shoot the haggis. Or clay pigeon, if you insist. Ferguson didn't like my posture and kept muttering about bayonets and ballet while I endeavoured to keep the barrel of a #410 gun in the air. I knocked the stuffing out of a brace, and shattered a clay rabbit, but clearly my Caledonian credentials will need time yet.

Over tea Ferguson took pity on me and arranged to send round a woodcock for my dinner. That and a bottle of burgundy went a long way to restore my national pride.

I should not give up hope. Burns himself said as much. "Now a' is done than man can do, And a' is done in vain: My love and Native Land fareweel, For I maun cross the main, my dear, For I maun cross the main." ■ Giles McDonogh's course costs £170 a weekend. For the next opportunity, tel: 01573-450331.



Coast of Maine: This cold sea and the rocky bottom produce the finest lobster in the world. You can't beat 'em'

Lobster is the Maine meal

Nick Haslam acquires a taste for getting lost among strange coves, connecting causeways and friendly fisherfolk

The coast of Maine is just 230 miles long as the crow flies, but don't be fooled. The deeply serrated seaboard of the largest New England state has 3,000 miles of shoreline with wooded islands, hidden coves and inlets stretching far inland.

On a perfect summer Sunday morning, I had driven out of Blue Hill, a small village of pretty clapboard houses about halfway down the Maine seaboard from the Canadian border.

My destination was Stonington, described in the guide book as a typical lobster fishing port lying at the end of a series of islands connected by causeways.

I drove across a fine old suspension bridge by the bright blue Eggenoggin Reach, where a schooner lay becalmed, and pulled in at a white timber church. A crowd of people in their Sunday best had gathered. In the shade of the steeple, a kilted bagpipe player sat on a low wall, wrestling with pipes which gurgled plaintively.

"Damn things," he said as I came up to him. "They always give trouble when they get near a church." He paused briefly to put me on the right road and then, pipes restored, led the procession of worshippers into the porch.

I drove on over a causeway to Deer Isle and after winding through rolling pasture and woods came down to the village of Stonington, where timber cottages stood above a small harbour lined with jetties and derricks.

Moored alongside the wall in the bright sunshine was an open lobster boat with a fisherman working on the traps stacked high in the stern. "Not fishing today?" I asked conversationally.

"Nope, no fishing on Sundays 'til after Labor day," he replied and went back to his work. I had been warned that the fishermen of Maine

are not exactly profligate with words, so having gleaned at least that piece of information, I thought it prudent to press on.

At the southernmost end of Deer Isle lies Barred Island, a nature preserve accessible only on foot at low tide. A path led through woods of lichen-covered spruce and fir, to a strand of white pebbles.

All ideas of having a swim were quickly abandoned, for the sea was freezing, and never, even in summer, gets much above 56°F (10°C).

Pulling on a sweater despite the strong sun, I walked out along the strand to the island. A shrill skirling cry came from the trees, where two ospreys hovered above a large

My room looked out over a creek filled with the soft light of the setting sun. Only 50 metres from the verandah ospreys were noisily nesting

untidy nest. Beyond, in the dazzling light, I could make out an archipelago of wooded islands floating on their own reflections in the mirror-calm sea.

The bay was dotted with sails, for this coast, with so many hidden anchorages, is a popular cruising ground for yachts from as far away as New York and Boston. The map showed Sunset and Sunshine on opposite sides of Deer Isle. Too early to catch sundown at Sunset, a small hamlet of houses overlooking a cove on the west side of the island, I set off in search of Sunshine on a back road across the island.

An hour later, irretrievably lost on the network of unsurfaced tracks in the woods, I waved down a battered pick-up, asking the driver if he knew the way to Sunshine.

"I most certainly do, old chap," he replied, in a perfect pastiche of my

British accent. "Keep on down the road and you can't miss it. Cheerio!"

Thirty minutes later, discovering I had been sent more than 10 miles in the wrong direction, I figured that one Englishman too many had asked him the way that summer. What goes around, comes around, I thought irritably, and headed home for an excellent consolation supper of lobster at the Blue Hill Inn.

Next day, in the clear light of early morning, I drove east along the coast bound for Christmas Cove, 100 miles down Route One, the winding interstate highway which follows the entire eastern seaboard of the US.

For a day I dawdled through some

where brightly painted floats marked the lobster traps.

For the next half hour, Bob and his assistant Skip worked smoothly on the confined dock hefting hook up traps, and removing the catch; they baited and then returned the thick meshed crate to the sea. On a good day they might harvest more than 100 lobsters, but today the pickings were lean. Bob, in his 60s, showed me one large crustacean and flipped back the tail carefully to show clumps of tiny black eggs.

"This is a sponge tail," he said, and dropped it back into the water. "We're not allowed to harvest females so as to protect the stock."

Seeing the many hundreds of floats dotted on the surface of the sea, it was easy to understand how over-fishing could threaten lobster numbers. Bob, shouting above the noise of the engine, told me that fishermen in Maine were struggling because the price of lobster had reached new lows thanks to imports from Canada.

"But," he said, not without pride, "this cold sea and the rocky bottom produce the finest lobster in the world. You can't beat 'em."

We motored back into Christmas Cove, where Bob wanted to load more traps. Wishing them goodbye, I dropped off at the jetty, picked up a lobster roll from the Cove-side, and drove slowly out towards Route One. Savouring the succulent meat, I had to admit that Blanchard was right, for this lobster had to be one of the best I had ever tasted.

■ Nick Haslam's visit was organised by the Discover New England Information Service, tel: 01733-743777; +1 802 238 3237 in the US. He flew with Iceland Air (tel: 0171-388 5399) to Boston, flights from £359 return plus taxes. He stayed one night in Boston at the Midtown Hotel, tel: +1 617-982 1000. Hire car by Thrifty, tel: 01494-751 600 worldwide.

RYANAIR, the European low fares airline, has announced sale fares of £29.99 (single ticket) to any of its 30 European destinations across seven countries. From Monday April 26 until Thursday June 17, 1m seats will be available. The special offer includes Ryanair's four new routes to Biarritz, Dinard, Frankfurt and Genoa. The Genoa flights will be launched on May 20. Reservations on 0541-669668.

MARTIN RANDALL Travel, British specialist cultural tour operator, is planning its own week-long music festival in Venice this

UPDATE

Ryanair £29.99 ticket sale

November. Top performers of renaissance and baroque music, select venues (St. Mark's cathedral among them), and just 300 participants, so the concerts are virtually private events. Cost from £1,680 (tel: +44 0181-742 3355 for details).

CYBERBREAKS: Put the kids on the information superhighway on a one-week school holiday break at Camp Beaumont (tel: 0171-

922 1290 in Staffordshire or Norfolk. As well as swimming, fencing and abseiling, they'll try out computer animation, setting up an internet home page or filming a documentary.

ART OF THE MATTEE: Rafael, luxury hotelier and art patron, has published his annual Seven Cities, a lushly illustrated guide to this year's opera performances and art exhibitions in New York, Miami, Bermuda, London, Paris, Baden-Baden, Düsseldorf, Munich, Salzburg and Geneva. Free to hotel guests - and to FT readers (tel: 0171-272 2225).

CUP OF GOOD HOPE: Racing for the America's

Cup, yachting's oldest, begins in Auckland late this year. Tallor Made Travel (tel: 01286-712050) will build an itinerary around the challenger series, starting from £289 (plus flights) for three nights, including an excursion to the race area, or ask them about seeing the defence early next year.

ERBIBLOGY: Yes, we take cures, says Farts rental cars, which has just won the contract to supply British Airways Holidays customers in Europe, Australia and South Africa.

GREAT ESCAPE: For those who can take only a few days away for adventure holidays, Explore Worldwide (tel: 01252-750100) offers 28 short breaks which provide a chance to climb Kilimanjaro, trek in Georgia, sail the Nile, and be back at your desk before anyone notices. Sooner be at sea? F & O introduces four- and seven-night cruise holidays in European ports; call 0280-726726 for brochures.

MISS YOUR Q: Alton Towers theme park this year extends its "virtual queue" system - when queues get too long on its Nemesis and Oblivion rides, you pick up timed tickets and can go off and enjoy yourself (tel: 0203-204030 for information).

ALL OUT: Can Be Done (tel: 0181-607 2400) specialises in holidays for people with disabilities, or just the less agile. Destinations for 1999 include London and Amsterdam, Turkey, Disneyland Paris, US and even Thailand. Managing director Jackie Scott uses a wheelchair herself, and knows the problems.

HOLIDAY FLINGS: The La Tomatina fiesta in Buñol, Valencia province, takes place on the last Wednesday in August; thousands pelt each other with ripe tomatoes provided by the council. Jersey's Battle of Flowers takes place, more sedately, on August 12.

BLUE GUIDES: Four for the price of three, and you don't have to buy the books all at once. For small print tel: 0171-943 0946.

John Westbrooke

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TRAVEL

Palatial remnants of the Raj

Joe Rogaly discovers roots of imperial empire alive and occupied amid the grandeur of Calcutta

If you are serious about visiting India, put Calcutta on your itinerary. Dash around with determination, and you will see the oldest remains of the nearly forgotten British empire. It will be a sojourn relatively free of the tiresome importuning of popular tourist sites. The experience is as evocative of historical roots as any trudge around Roman or Greek ruins. The difference is that these much younger remnants are still standing. Thumping imperial buildings, set in prodigiously landscaped gardens, are accompanied by mighty barracks and houses of government.

That the latter constitute the seat of West Bengal's Communist administration adds to the antiquity of the tour. You quickly learn, from any Bengali intellectual, that the ministry is pragmatic, the economy mixed. Today's figurehead governor occupies the 300-year-old Government House, built for Lord Wellesley by Charles Wyatt. The architect mimicked a magnificent British stately home, Kedleston Hall in Derbyshire.

A century later, Lord Curzon, the grandest of viceroys, occupied both - his family seat and the Calcutta copy. Today, it is known as the Raj Bhavan. You peer through the gates, across the gardens, at the huge pillared portico in the braggocio-classical style of the late 18th century.

It is at once grand, noble, pretentious and arrogant. As a certain Lord Valentin wrote, mocking the East India Company that had initiated the British presence on the sub-continent: "I wish India to be ruled from a palace, not from a counting-house." Pal-

aces in Madras, Lucknow and Hyderabad followed.

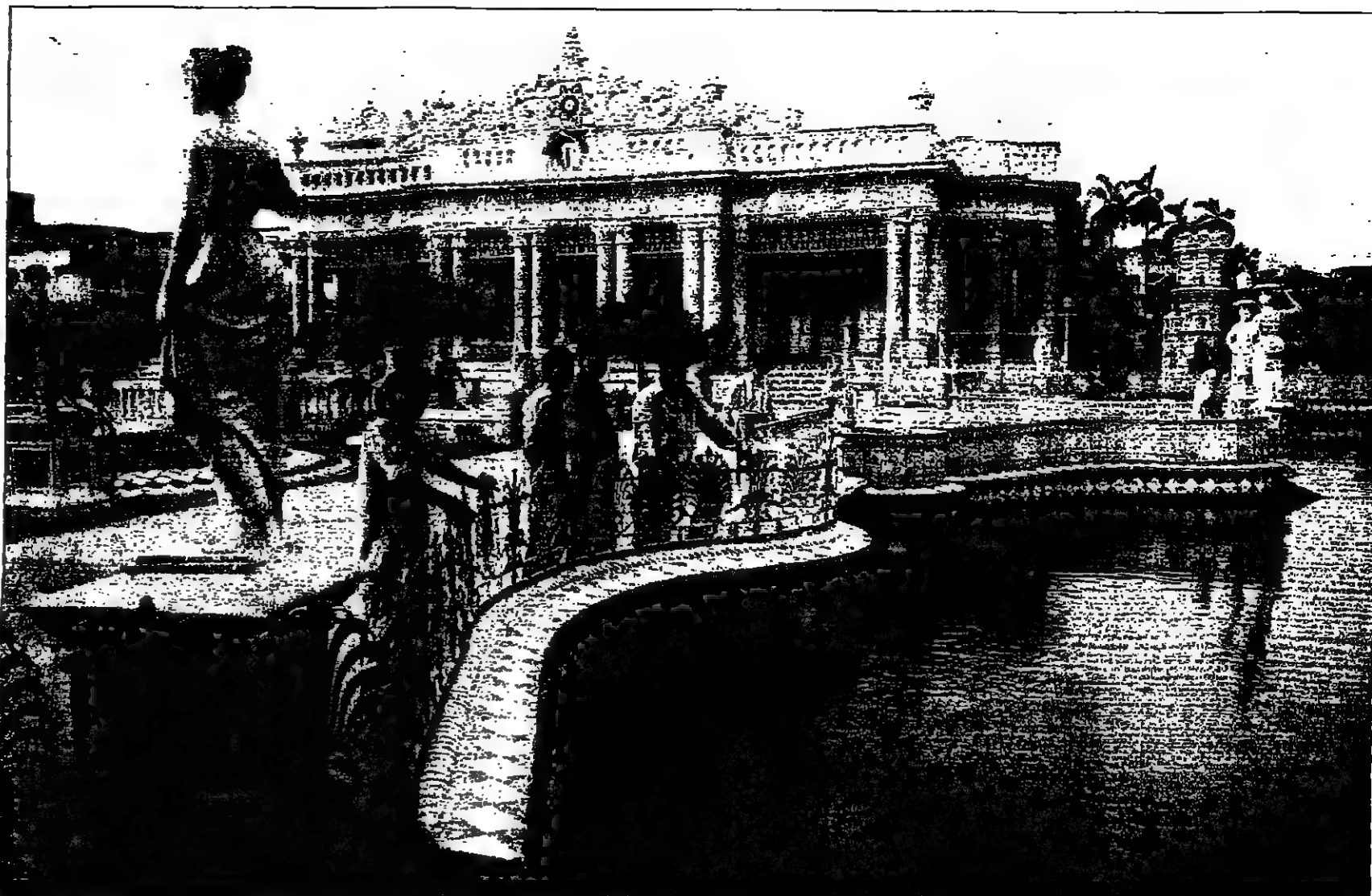
If you do not speak Bengali, get your guide to ask the driver to cruise slowly past the Writers Building, designed by engineers and erected in 1799. Today, we are told, its huge red brick expanse accommodates multitudes of civil servants, serried ranks of clerks, successive filing cabinet barricades.

The Victorians favoured Gothic structures - such as St Paul's Cathedral, built in 1839, and the imposing High Court, opened 40 years later. There are plenty of these in Calcutta.

You can attend services in St Paul's. The one we visited was packed. It looked familiar, save for the bare feet and sandals visible below the hems of the cassocks. Memorials are set in the walls. You will need an extra half-day to savour such finds.

"Not near this stone," reads one, "nor in any consecrated ground but on the extreme frontier of the British Indian Empire" lie the remains of two young men "treacherously deserted by the Sikh escort..." and attacked by the garrison they had been sent to command. India paid dearly for the fort's uprising. "The annexation of the Punjab to the British Raj was the result of the war of which their insurrection was the commencement," says the inscription.

Reminders of the presence of that Raj are scattered around the city like the coins and oil lamps on Graeco-Roman sites. We came across one in an unlikely spot, the Jain temple. It was built by Rai Badridas Bahadur, a wealthy man, jeweller to the governor. Today, his graven image sits under a magnificent cupola,



Though the Jain temple was built by Rai Badridas Bahadur, a wealthy man and jeweller to the governor, its floor contained a Victorian tile

plump and beatific, looking directly into his memorial, his hands in prayer. His pose is that of a seated Bengali notable, right leg bent to reach under left knee.

Follow the line of sight and you see through the palatial frontage, studded with artefacts, into the holy chamber and on to an ornate alcove in which sits a splendid idol, ankles crossed, hands relaxed in the lap. To non-Jain eyes the white stone figure resembles a Buddha. Were it not for the moustache on the face of Rai Badridas Bahadur you would have difficulty telling which was the object of worship and which of veneration.

The floors of the temple are paved with intricate patterns of tiles. It was here that we litged on our find, a tin square last seen around the fireplace of a London terrace house built in the 1860s. It was a common purchase

by speculative builders of the time.

Some Victorian relics are larger, like the clanking tramways, laid down after 1870. Some are nurtured by a special bureaucracy, part of the municipality of Calcutta. It recently listed 200

It is at once grand, noble, pretentious and arrogant. Thumping imperial buildings, set in prodigiously landscaped gardens, accompanied by mighty barracks

buildings as heritage sites and called for a specialist from London to advise on their conservation.

Without doubt the most imposing of them all is the Victoria Memorial Hall. It dominates the city skyline. Lord Curzon, whose conception it was, in 1901 said:

"Let us have a building, stately, spacious, monumental and grand, to which every newcomer in Calcutta will turn." It was to be a history lesson in stone, an affirmation of the presence of the mighty Raj. The edifice was completed in

1921. In a perhaps conscious attempt to upstage the Taj Mahal, Curzon ordered the use of white marble. It was brought from the quarry that had supplied Shah Jahan. Magnificent as the result assuredly is, the older memorial to a Mughal queen is the more beautiful of the two.

But we are in Calcutta and we must inspect the runner-up. Take a fleeting glance at the marble statue of the young Victoria by Thomas Brock. You can hardly miss it; it stands in the central hall.

Glide selectively round the large oil paintings in the galleries; you are in the presence of an important collection of works by European artists active in India between 1780 and 1830. Reserve the most time for the drawings and watercolours made during years of early growth of the city. They show the river, trading vessels arriving, traders and other personages, the new imperial buildings marching along the river banks. "An entire village of palaces," according to Lord Valentin.

The collection includes works by Daniel, Zoffany and other distinguished artists of the time. An Indo-British trust set out to clean and treat everything on display, plus further works in store. Its endeavours proceed at a frustrating pace.

The queue at the ticket booth at the entrance to the memorial contains few foreign faces, many Calcutta couples on an outing. Beyond the gates, in the heat, the real Bengal goes about its business. In 1911, George V announced the transfer of the capital of British India to the specially constructed New Delhi. As we know, Lutyens designed the government complex in that great city as a statement of imperial rule. It seems a long time ago. On the way home we read that Mother Teresa may be canonised in time for the millennium. **Travel arrangements were made by Greaves Travel, tel: 0171-487-5637, fax 0171-935-3499.**

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SPORT / MOTORING

Jurek Martin marks the retirement of the greatest ice hockey player of all time, the stylish and incomparable Wayne Gretzky

It was a pretty fancy farewell for a slender 38-year-old guy with No 99 on his back and his shirt-tail hanging out on one side.

Madison Square Garden rocked, the New York Times gave him equal billing with the war in Kosovo, even down to an editorial, and Michael Jordan called in. In Canada, where he was born, a prime minister led a nation in appreciation.

Going out with an affectionate bang must be the dream of every great sportsman, and Wayne Gretzky deserved it. It so happens there are two other American household sporting names, John Elway and Cal Ripken Jr, both also just short of 40, to whom last Sunday's celebrations must have held more than passing interest.

But first to Gretzky, the best player ice hockey has seen. He holds every offensive record of consequence, most by huge margins, including 894 regular-season goals, 93 more than Gordie Howe, a Canadian predecessor, and 1,983 assists (that is, passes to set up goals by others), 851 more than Paul Coffey.

Only one other player, Mario Lemieux in 1989, came within sniffing distance of 200 points in a season, whereas "The Great One" - Gretzky's universal sobriquet - managed it four times.

More than the numbers, he did it with style. Neither big nor especially fast, Gretzky's art was to be able to see everything that was happening on the ice, in front, alongside and even behind him, half a second before anybody else.

His vision could make average team-mates better and the good ones exceptional. When his supporting cast was right, responding to his baton, as it was with the Edmonton Oilers from 1983 to 1989, his orchestra made sublime music.

Often ice hockey's noises have been discordant. At one level the sport has been commercially successful, and now has teams in the Sunbelt, far removed from the game's frozen northern roots.

But it has never quite broken through as a leading television sport, which is where the big money lies, mostly because the fast-moving puck is too difficult to follow, except in slow motion replay.

Ice hockey has also experienced times when the thugs seemed to rule the ice and when the fans came to arenas, it seemed, principally to see fists flying. The influx of fast-skating talent from Scandinavia and the former Soviet bloc has taken some of the needless violence out of the game, but it always threatens to return.

Gretzky, however, floated above all this for 20 years. Like Bobby Charlton in soccer, he was hardly ever penalised and never retaliated. He was joyous in victory and polite in defeat, a rink-mate to the last, enjoying the company of team-mates. He never complained that his side for the last three years, the New York Rangers, was simply not good enough to provide him with a final championship.

But here is the interesting thing. In retiring, Gretzky never conceded that his skills had declined to the point where he could no longer play effectively. After all, he was named most valuable player in last season's



One of the boys: Wayne Gretzky with New York Rangers team-mates at his last practice session. Paul Chambers/PA

ICE HOCKEY

Great One skates into immortality

All-Star game. He merely said he had decided it was time to go. Occasionally, superstars exit, like Gretzky did, with a final game. Everybody knew in 1948 that it was Don Bradman's final cricket Test (he was out for nought), and in 1961 that it was the last at-bat for the "Boston slugger", Ted Williams (who hit a home run). But they were the exceptions.

Most stars go out in the relative quiet of an off-season, either after trying to play long after their skills have deteriorated, as with the incomparable Willie Mays in baseball, or sometimes when they are still on top. Nobody knew definitively in advance, for example, that Mich-

ael Jordan's championship-winning shot would prove his last basket, or that Sandy Koufax would simply stop pitching at the age of 30 when he was easily the best in the game. Which brings us to Elway and Ripken. Elway is in the public eye, selling cars and meeting visiting Chinese prime ministers, but what all Denver wants to know is if their Bronco quarterback will be back to try for a third straight Super Bowl - something Elway is considering in private. The Ripken case is more poignant because it is being played out for all to see. The iron man of baseball, who did not miss a game for nearly 18 years,

TENNIS

Time for some serious modelling on clay

John Barrett reports on British efforts to improve youngsters' all-surface skills

He looked prosperous as he slid from behind the wheel of his Rolls-Royce to shake hands with us. Nicola Pietrangeli, carrying his 65 years lightly, was on his way to join Prince Albert at the annual ATP Tour Awards Gala at Monte Carlo's Sporting Club, the occasion when the players honour their own.

One of the backs being scratched this year was that of the absent Pete Sampras, Player of the Year for the sixth time, a record. I wondered how Pietrangeli felt watching the video of a rather inadequate speech of acceptance by Sampras, whose tally of major successes still lacks a French championship, a title the Italian won twice, in 1989 and 1990.

No more artistic a player than Pietrangeli has ever graced the courts, and his three victories in Monte Carlo in the 1980s bring back very happy memories.

Yet the young gladiators in action at the Republic National Bank Open in Monte Carlo this week paint on a rather different canvas. They all play with muscular power and relentless aggression, largely from the back of the court. The game on clay has certainly changed, but why?

First, the equipment. Rackets have altered out of all recognition since the 1970s, and the balls are now more varied than they used to be. Aluminium and steel were the first materials to replace wooden rackets; now it is graphite, boron and titanium. The effect of these lighter, stronger materials has been to expand the range of shots players can produce. Easier to wield and much more powerful, today's larger-headed rackets encourage fast serving and fierce groundstrokes, heavy with wristy topspin.

Grips have moved from traditional eastern to western and semi-western. Forehands are hit with an open stance, while many backhands are two-handed. Because it is tough to volley against these fierce drives, players stay back and hit outright winners from the baseline.

Over the past 45 years, and with one or two notable exceptions, British men failed to acquire the necessary clay court skills because they spent too little time as juniors competing on the surface. Britain's women, though, have enjoyed outstanding success.

The problem facing British men is one which Patrice Hagelauer, the British Lawn Tennis Association's new development officer, is determined to solve.

"We must have more practise and competition on clay among the younger age groups - boys under 11 to under 14," he says. "You have to acquire the necessary technical, tactical and mental skills at a young age so that they become instinctive."

He is absolutely right. Watching Tim Henman in action this week as he was beaten 6-7 6-4 7-5 by Fernando Meligeni of Brazil, it was apparent the British No 1 was still not quite sure how to play the crucial points. Although this was probably the best clay court match Henman has played, it was Meligeni who instinctively came up with the right shots during the tense closing stages.

As Henman said afterwards: "I

know my game on clay is hundreds of times better than it has been, but I can still be a little impatient. You just can't take reckless risks."

For most of the match it was an admirable performance with courageous recoveries in the first and third sets. Henman showed much improved technical competence from the back of the court; patience in some long, fierce rallies; quick movement; and the confidence to wait for the right moment to attack.

His volleying coups, too, were well timed and usually successful. Yet there is always the suspicion that in the crunch he will fail simply because he is still operating at the conscious level, not the instinctive one.

The Dunlop Fort ball in use at Monte Carlo did not help Henman's natural serve and volley

"You have to acquire the technical, tactical and mental skills at a young age so they are instinctive"

game, either. "It's the same ball they used in Barcelona. It's very, very heavy," said Henman. "Fingers crossed for a couple of lighter balls in the next few weeks."

He will have his wish at the Italian Open in Rome and at the World Team Cup in Düsseldorf. At both events the French Open's Roland Garros ball, slightly smaller and much faster through the air, will be used.

In losing 6-2 6-2 to Jiri Novak this week, British No 2 Greg Rusedzki also looked ill at ease on clay. Like Henman he suffers from lack of experience on this surface during his formative years.

What is the LTA doing to

HOW TO PUNT IT

Never believe what you read in newspapers, especially on the sports pages. Until recently, when Arsenal were beaten by Manchester United in the semi-finals of the FA Cup, my 1998-99 soccer bets had been shaping up well. I had placed to win some really big bonuses. Perhaps I still will.

But I could have saved myself some anguish if I had covered my FA Cup stakes on Arsenal with an insurance bet on Manchester United at the quarter-final stage when, quite surprisingly, the odds against the Manchester club winning the FA Cup were briefly pushed out to an abnormally generous 5-1.

The only reason United's odds were 5-1 at that stage was because the soccer writers had decided the club was no longer really trying to win the FA Cup. Allegedly, manager Alex Ferguson was concentrating on winning the European Cup and the English league competitions, and did not want to risk injury to players by maintaining too broad a front.

In other words, claimed the critics, United were most unlikely to reach the FA Cup semi-finals. Surprisingly for someone of my sophistication, I fell for this theory, and did not invest a cent on them at 5-1. Other and wiser, I made no such mistake this week when Bayern Munich entertained Dynamo Kiev in the second leg

improve the situation? So far there are only eight European clay courts in Britain, plus another 119 of the American type which is slightly faster but resists frost better.

The argument has always been that the British climate makes European clay courts impractical, with a season only a few weeks longer than grass. But why not convert some of our existing indoor centres (there are 44 now open and 10 more in the pipeline) to French clay? Indeed, why not build new indoor clay court centres?

Philip Sandilands, the LTA's director of facilities, sees this as a top priority. "We plan to build an additional 250 clay courts over the next five years, some of them indoors," he says. "The West Hants Club has been completely redeveloped as our leading clay court centre for tournaments. The new Gosling Stadium at Welwyn Garden City will have four indoor clay courts and others are planned at county centres and centres of excellence."

These developments, excellent as they are, will take time. In the meantime, why not buy a club in the Barcelona area where there are always many international players passing through, and make it the LTA's training HQ for leading players?

The skills needed to win on clay are fundamental to success on any surface, as Henman reminded us this week. "Look at the way the Spanish guys have come up. I think it's much easier to adjust your game from playing on clay to play the quicker surfaces, rather than the other way."

This will be music to Hagelauer's ears. "We must develop a competitive structure on clay so that we get greater numbers of juniors who understand instinctively how to win on the surface," he says.

Let us hope someone up there is listening.

of their European Cup semi-final, having drawn 2-3 in the first leg.

Since last September I have backed Bayern to win the European Cup at various prices, starting at 15-1. By Wednesday morning, the day of their second match against Dynamo Kiev, they were as short as 13-8 favourites to win the cup. Juventus were 7-4, Manchester United 3-1 and Kiev - surprisingly, in view of their talent, pugnacity and hunger for success on the wider European stage - were out with the washing, at 6-1.

So as not to have my fingers burnt a second time, I put a larger seven-bit on Dynamo Kiev at those odds. I thus approached Wednesday night's match in a state of abstinence, almost hysteria, for I was guaranteed an eventual European Cup profit of satisfactory dimensions - whether Bayern or Kiev reached the final.

Curiously, among big UK bookmaking firms the best odds in mid-week against Manchester United winning all three competitions (European Cup, FA Cup and English Premiership) were the same as those quoted against Dynamo Kiev winning the European Cup alone: 6-1 at Coral. Other bookies were quoting as little as 6½-1 against the Manchester side winning the triple. Roman value, or what?

Michael Thompson-Noel

We are, dare I say it, in Jeremy Clarkson territory, taking a look at what the target readership of Loaded magazine would aspire to if there was something over £60,000 spare in the bank account waiting to be mopped up by a thoroughly off-beat (and muscular) purchase.

Apart from a bank balance of City trader proportions any wannabe boy racers would probably also need access to a disused airfield to exploit the twin-turbocharged potential of the Venturi 300 Atlantique to the full.

Given those prerequisites what can a buyer of this little-known French supercar expect? For day-dreaming whiz-kids, the Venturi immediately takes the eye with a vaguely Ferrari lookalike appearance.

First, let's get under the bonnet. Turn on the ignition and the engine bumbles gruffly and then races away at an irritating 2,400rpm. It soon settles down to a more disciplined idling engine speed of about 1,000rpm.

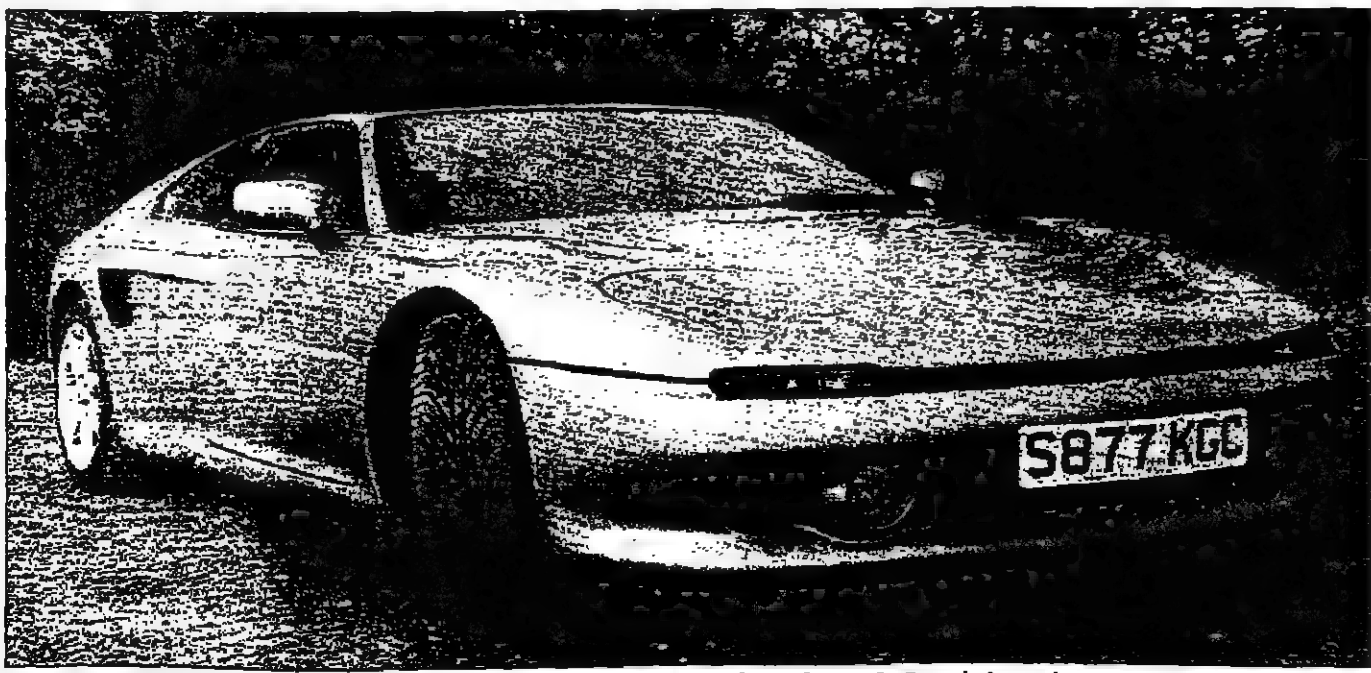
Driving through London's traffic-clogged West End on a grey afternoon proved something of a challenge. The drilled metal clutch and brake pedals grip the shoes well but the oversize throttle pedal was sticky and the travel was short. A relaxed drive in town was difficult to achieve at first.

However, the vented disc brake system is well able to bring the beast to a halt, as I found out later on some twisting country roads. Strangely, the brakes do not feel as strong as you would expect. Maybe this is because the brake pedal travel itself is long and its action soft.

MOTORING

This one should impress the Loaded set

Even though it has some disconcerting foibles, Ivor Williams enjoys the power, polish and exclusivity of a French supercar



Venturi Atlantique: looks not dissimilar to a Ferrari, high-quality construction and plenty of power for Formula One aspirants

Visibility was mostly excellent, helped in the sleet by the wide sweep of the huge single Bosch windscreen wiper. However, there is a somewhat restricted view for the mandatory glance over the right shoulder for take-off and overtaking. The 302bhp, V6 engine should

satisfy any customers aspiring for eventual Formula One status. It is very flexible - especially useful in town - and in part made up for the heavy clutch. However, the slightly slower automatic, which develops a respectable 210bhp, would be my preferred choice for town driving.

Steering is very precise. One cause for concern is that if the accelerator is depressed aggressively when you attack a tight corner the rear axle will stutter disconcertingly. With no ABS you could derail the car if you pushed it too far. The handling generally,

though, is predictable, the ride supple and balanced, although the suspension rumbles on uneven surfaces at low speeds. This particular model featured a carbon-fibre moulded dashboard with surface lattice texture but you can have plain old burr walnut if you wish.

Stone-coloured leather dominates the cabin, which is light and airy. You feel cosseted and important - which is probably as it should be, having parted with more than £60,000 for the turbo-charged model.

The point is you are paying for exclusivity. You are individual in this car; the company, based in Nantes, makes only 150 cars a year. You can specify mid-grey, black, burgundy, cream or dark blue for the interior. There are 12 standard colours.

The white-faced, retro-look instruments are easy to read and glow eerie orange at night. However, I had to translate the speedometer's kilometres into miles per hour.

While the driving position suited me well, the seat may be too low for some drivers. The steering wheel is not adjustable.

The seats hugged me well, but a four-point harness would have held me steadier than the standard inertia reel set-up. And the big handbrake lever is too close to the driver - it might have been better mounted on the other side of the transmission tunnel.

The remote release for the boot, accessible only with the door open, is near the driver's right elbow. The engine compartment release - the slatted aluminium engine cover slides up

hydraulically - lives in the front boot. Another neat touch: the petrol cap is covered by an almost invisible flush flap to the corner of the rear outside window.

Despite the Venturi's foibles, most notably axle tramp and soft brake pedal action, there are no real rough edges on this car. The body is of an advanced composite and aluminium construction bonded to a wonderfully stiff steel chassis.

The Venturi is also put together extremely well. The quality of construction is truly classy, (again as you would expect in a car of this cost).

The company describes the Venturi as a "two-seater sports GT." It's practical - you could use it every day. It doesn't feel enormous on the road, it doesn't intimidate you. We see it as a sports car with touring capabilities.

I agree. The Venturi does not intimidate you and will thrill you once you have made its acquaintance.

That said it is a moot point whether its undoubted supercar cachet makes it worth the extra you would have to pay compared with models in the TVR range (the new Tuscan Speed Six with similar performance costs around £38,000) or the Chevrolet Corvette, a far cheaper and extremely enticing alternative.

Venturi Concessionaires are at 36-38 Queen's Gate Place Mans, London, SW7 5BQ. Tel: 0171-581 0038

Close edition No 1282: 1 K62 K2 2 Oct-1 Oct 3 Oct 4 Oct 5 Oct 6 Oct 7 Oct 8 Oct 9 Oct 10 Oct 11 Oct 12 Oct 13 Oct 14 Oct 15 Oct 16 Oct 17 Oct 18 Oct 19 Oct 20 Oct 21 Oct 22 Oct 23 Oct 24 Oct 25 Oct 26 Oct 27 Oct 28 Oct 29 Oct 30 Oct 31 Oct 1 Nov 2 Nov 3 Nov 4 Nov 5 Nov 6 Nov 7 Nov 8 Nov 9 Nov 10 Nov 11 Nov 12 Nov 13 Nov 14 Nov 15 Nov 16 Nov 17 Nov 18 Nov 19 Nov 20 Nov 21 Nov 22 Nov 23 Nov 24 Nov 25 Nov 26 Nov 27 Nov 28 Nov 29 Nov 30 Nov 1 Dec 2 Dec 3 Dec 4 Dec 5 Dec 6 Dec 7 Dec 8 Dec 9 Dec 10 Dec 11 Dec 12 Dec 13 Dec 14 Dec 15 Dec 16 Dec 17 Dec 18 Dec 19 Dec 20 Dec 21 Dec 22 Dec 23 Dec 24 Dec 25 Dec 26 Dec 27 Dec 28 Dec 29 Dec 30 Dec 31 Dec 1 Jan 2 Jan 3 Jan 4 Jan 5 Jan 6 Jan 7 Jan 8 Jan 9 Jan 10 Jan 11 Jan 12 Jan 13 Jan 14 Jan 15 Jan 16 Jan 17 Jan 18 Jan 19 Jan 20 Jan 21 Jan 22 Jan 23 Jan 24 Jan 25 Jan 26 Jan 27 Jan 28 Jan 29 Jan 30 Jan 31 Feb 1 Feb 2 Feb 3 Feb 4 Feb 5 Feb 6 Feb 7 Feb 8 Feb 9 Feb 10 Feb 11 Feb 12 Feb 13 Feb 14 Feb 15 Feb 16 Feb 17 Feb 18 Feb 19 Feb 20 Feb 21 Feb 22 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مكتبة الامير

Some serious B on clay

What's on around the world

AMSTERDAM

DANCE
Het Muziektheater
Tel: 31-20-551 8911
La La La Human Steps: the Canadian dance company in "Salt"; Apr 26, 27, 28

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
The Floating World: Japanese scroll paintings from the Kumamoto Museum of Art; to Jun 13

Stedelijk Museum

Tel: 31-20-5732911
www.stedelijk.nl
David Salle: major survey of the New York-based contemporary artist, comprising around 40 canvases and featuring the multimedia diptychs and triptychs that made his name in the 1980s; from Apr 24 to Jun 13, then touring

OPERA

Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Orfeo: by Verdi. Conducted by Carlo Rizzi in a staging by Klaus Michael Gröber, with a cast led by Vladimir Bogachov; Apr 25, 28

BALTIMORE

OPERA
Baltimore Opera Company, Lyric Opera House
Tel: 1-410-625 1600
www.baltimoreopera.com
Andrea Chenier: by Giordano. Conducted by Marco Armiliato in a staging by Bernard Uzan; Apr 24, 25, 28, 30

BARCELONA

EXHIBITION
Museum Picasso
Tel: 34-3-318 6310
Rosalie Dudy 1877-1953: retrospective bringing together 150 works including paintings, drawings, prints, ceramics and fabrics, loaned by public and private collections worldwide. The show concludes with a display at the Museu Tèxtil i d'Indumentària, which focuses on the artist's relationship with the textile industry of Lyon; from Apr 30 to Jul 11

BEIJING

DANCE
Jubilation Centre Theatre
The Royal Ballet: the British company presents a Gala Programme, with the Orchestra of the National Ballet of China conducted by Andrea Otárraga; Apr 26, 28
The Royal Ballet: Romeo and Juliet, in Kenneth MacMillan's staging with designs by Nicholas Georgiadis. With the Orchestra of the National Ballet of China conducted by Andrea Otárraga; Apr 30

BERLIN

EXHIBITION
Neue Nationalgalerie
Tel: 49-30-2660
Max Ernst (1891-1976): retrospective of the German Surrealist; to May 30, then transferring to Munich

BONN

EXHIBITIONS
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-238-917 1200
www.kah-bonn.de
Composition on the table: interactive musical installation by Toshio Iwai; to Jun 12
Museu Nacional de Arte Antiga, Lisbon: this latest in the museum's "Great Collections" series leads visitors through seven centuries of Portuguese art and history. The 200 works on display include paintings, sculptures and drawings, as well as objects made in Portugal's porcelain factories and gold workshops; to Jul 11

CHICAGO

CONCERT
Orchestra Hall
Tel: 1-312-294-3000
www.chicagosymphony.org
NKS Symphony Orchestra: conducted by Charles Dutoit in works by Schubert, Stravinsky and Prokofiev, with violin soloist Sarah Chang; Apr 27

EXHIBITION

Chicago Cultural Center
Tel: 1-312-744 8630
Landmarks of New York and Chicago: display of 150 photographs, celebrating some of the most important buildings in both cities; to May 30

COPENHAGEN

EXHIBITIONS
Leadsø Museum of Modern Art, Høveltekær
Tel: 45-4919 0719
www.ledsoer.dk
Henri Cartier-Bresson: European. Previously seen in Paris and London, this show brings together 185 works ranging across the photographer's career from the 1930s to the present; to Jun 6

STATIONS MUSEUM FOR KONST

Henri Matisse: Four great collectors. Brings together works from what were once the greatest private collections of Matisse's art. The show was organised jointly with the photographer's career from the 1930s to the present; to Jun 6

EDINBURGH

EXHIBITION
Royal Scottish Academy
Tel: 44-131-624 6200
173rd Annual Exhibition: painting, sculpture and architecture, including works by three Academicians who died in 1998 - Alberto Morrocco, David McClure and James McIntosh Patrick; from Apr 24 to Jul 11

FLORENCE

CONCERT
Teatro Comunale
Tel: 39-055-211158
www.teatrocomunale.it
Vladimir Ashkenazy: recital by the pianist of works by Schumann, Beethoven and Rachmaninov; Apr 25

OPERA

Teatro Comunale
Tel: 39-055-211158
www.teatrocomunale.it
The Queen of Spades: by Tchaikovsky. Conducted by Semyon Bychkov in a staging by Lev Dodin. In a



The British Royal Ballet arrives in Beijing on Wednesday; above, Darcy Russell in MacMillan's 'Romeo and Juliet'

co-production with Netherlands Opera and Opéra National de Paris; Apr 24, 27, 29

FORT WORTH

EXHIBITIONS
Kimball Art Museum
Tel: 1-817-3328451
www.kimballart.org
Gifts of the Nile: Ancient Egyptian Pottery. Brings together over 200 works, including statues of kings, gods and animals, ranging over 5000 years. Includes works borrowed from public and private collections in the US and Europe; to Apr 25
Museum of Modern Art, New York: to Apr 25
Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

HOUSTON

EXHIBITION
Museum of Fine Arts, Houston (Tel: 1-713-639 7300) and Contemporary Arts Museum (Tel: 1-713-294 8251)
Art at Work: Forty Years of the Chase Meridian Collection. Display of 77 works which together chart the major movements in postwar American and European art. Organized chronologically, the show at the Museum of Fine Arts includes works by Calder, Stella and Bayes, while the Contemporary Arts Museum features artists of the 1980s and 1990s, including Basquiat, Craig, Lichtenstein and Sherman; to May 2

OPERA

Houston Grand Opera, Wortham Center
Tel: 1-713-227 2787
www.hgo.com
Resurrection: world premiere of Tod Machover's new opera set in Tzarist Russia, with a libretto by Laura Harrington. Patrick Summers conducts a staging by Graham Murray, with designs by Simon Higlett; Apr 25, 28

LONDON

CONCERTS
Barbican Hall
Tel: 44-171-638 8891
Ariane auf Naxos: by R. Strauss. Concert performance conducted by Richard Hickox, with a cast including soprano Christine Brewer. The programme is completed by the composer's music for "Le Bourgeois Gentilhomme"; Apr 27
English Chamber Orchestra: conducted by Paul Goodwin in works by Ravel and Mozart, and in the world premiere of a new work by Keldrum, with soloist Richard Stagg; Apr 28
London Symphony Orchestra: conducted by Mstislav Rostropovich in works by Tchaikovsky, Prokofiev and Shostakovich, with violin soloist Maxim Vengerov; Apr 29
Plácido Domingo: zarzuela concert, with the Orchestra of the Royal Opera House conducted by Miguel Roa, soprano Alicia Artales and mezzo-soprano Cecilia Diaz; Apr 25

EXHIBITIONS

Barbican Art Gallery
Tel: 44-171-638 8891
New Art for a New Era: Malevich's Vision of the Russian Avant-Garde. 84 paintings and 48 works on paper on loan from the State Russian Museum, St. Petersburg. These works were drawn from the revolutionary Museum of Artistic Culture, established in 1919 as the first museum of modern art. Includes works by Chagall, Kandinsky and Rodchenko; from Apr 30 to Jun 27

National Gallery

Tel: 44-171-639 3321
Oratio Genteschi at the Court of Charles I: first-ever retrospective of the 17th century Italian painter, friend to Caravaggio, and Court Painter to Charles I. Includes a group of works from the Queen's House in Greenwich, sold after the king's execution and never seen together since; to May 23
Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25
Roger van der Weyden: the 20 surviving paintings attributed to the 15th century Netherlandish artist are mostly too fragile to travel. The National Gallery has five, and these are supplemented by two from the Gulbenkian in Lisbon and two from the Getty in California for this show, which celebrates the 600th anniversary of his birth; to Jul 4

National Portrait Gallery
Tel: 44-171-3000055
Matisse: Portraits. Works by the Pre-Raphaelite painter and portraitist, including his paintings of Pinker, Lill Langtry and Gladstone; to Jun 6

Dorset's Gallery
Tel: 44-171-333 1377
The King's Head: organised to coincide with the 350th anniversary of the regicide, this biographical exhibition brings together images of Charles I from all stages of his life; to May 3

Royal Academy of Arts
Tel: 44-171-300 3000
Vasily Kandinsky: Watercolours and other Works on Paper. Consists of 140 works on paper spanning the whole of the artist's career; to Jul 4

Tate Gallery
Tel: 44-171-887 8000
Jackson Pollock: seen first in New York, this major retrospective of the Abstract Expressionist comprises around 80 paintings and drawings drawn from major public and private collections worldwide; to Jun 6

OPERA
English National Opera, London Coliseum
Tel: 44-171-632 8300
Mefistofele: by Boito. Conducted by Oliver von Dohnányi in a new staging by Ian Judge; Apr 27, 29
Semele: Rosemary Joshua sings the title role in Robert Carsen's production, conducted by Harry Blake; Apr 24, 26, 30

Sadler's Wells
Tel: 44-171-883 8000
The Royal Opera: Paul Bunyan, by Benjamin Britten. Staging by Francesca Zambello, conducted by Richard Hickox (replaced by Chris Willis on Apr 27); Apr 24, 26, 27, 28, 29, 30

THEATRE
Albany Theatre
Tel: 44-171-369 1730
Pleatry: by David Hare. Revival of the 1970s classic, directed by Jonathan Kent and starring Cate Blanchett

Barbican Theatre
Tel: 44-171-638 8891
The Winter's Tale: by Shakespeare. RSC staging directed by Gregory Doran and designed by Robert Jones. The cast is led by Anthony Sher

Donmar Theatre
Tel: 44-171-369 1731
Suddenly Last Summer: by Tennessee Williams. Directed by Sean Mathias. With Sheila Gies, Rachel Wales and Gerard Butler

Lyric Hammersmith
Tel: 44-181-741 2311
The Dispute: by Pierre Marivaux, in a translation by Neil Bartlett, who also directs

National Theatre, Cottesloe
Tel: 44-171-629 2252
Sleep With Me: new play by Harif Kuroishi, directed by Anthony Page with a cast led by Paddy Dowling and Jonathan Hyde

The Riot: by Nick Darko. New work by the Danish playwright, in a co-production between Kneigh Theatre and the National Theatre, directed by Mike Shephard

National Theatre, Lyttelton
Tel: 44-171-629 2252
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

National Theatre, Olivier
Tel: 44-171-629 2252
Candide: Bernstein's musical. In a new version directed by John Caird and Trevor Nunn
Trollus and Crassida: by Shakespeare. Trevor Nunn and John Caird direct; the cast includes Sophie Okonedo, Peter de Jersey and Roger Allam

Pleasance Theatre
Tel: 44-171-369 1734
The Birthday Party: by Harold Pinter. Directed by Joe Harrison, with a cast led by Timothy West and Prunella Scales

Verdeby Theatre
Tel: 44-171-838 9987
The Memory of Water: by Shelagh Stephenson. Directed by Terry Johnson and designed by Sue Plummer. With Alison Steadman and Stella Bonart

LOS ANGELES

CONCERTS
Dorothy Chandler Pavilion
Tel: 1-213-365 3500
www.laphil.org
Los Angeles Philharmonic: conducted by Alan Gilbert in works by Bernstein, Ruggles, John Williams, and Copland; featuring David Brédentinet on bassoon; Apr 24, 25

EXHIBITIONS
J. Paul Getty Museum
Bressai: The Eye of Paris. Retrospective comprising 140 works, which coincides with the 100th anniversary of the photographer's birth. Dubbed "the eye of Paris" by Henry Miller, Bressai celebrated the city in photographic series including "Paris by Night". Originated in Houston, the show will transfer to Washington; to Jul 4

Los Angeles County Museum of Art
Tel: 1-213-857 6000
www.lacma.org
Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch museum's renovation; to May 16

MADRID

EXHIBITION
Fundación Juan March
Tel: 34-91-425 4240
Kurt Schwitters and the Spirit of Utopia: paintings, drawings, collages and photographs by the German avant-garde artist, from the period 1918-1947. Includes loans from the Sprangl Museum in Hannover and private collections, including that made by artist's son; to Jun 27

MONTREAL
EXHIBITION
Montreal Museum of Fine Arts
Tel: 1-514-285 1800
www.mbam.org
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

MUNICH
CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
European Brass Band Championships; Apr 24
Munich Philharmonic Orchestra: conducted by Gard Albrecht in works by Sibelius and Allan Pettersson; Apr 30
Prague Symphony: conducted by Leon Sgarbi in works by Rimsky-Korsakov, Chopin and Beethoven, with piano soloist Rudolf Buchbinder; Apr 28

EXHIBITION
Haus der Kunst
Tel: 49-89-211270
Art Across Borders: Classical Modernism from

Cézanne to Tinguely and World Art as seen from Switzerland. Display of the collection made by Swiss recluses Josef Müller (1887-1977), which combined European modernism with classical antiquities and pre-Columbian art; to May 30

NAGOYA

EXHIBITION
Nagoya/Boston Museum of Fine Arts
Tel: 33-1-4020 5151
www.nagoya-boston.org.jp
Monet, Renoir and the Impressionist Landscape: this inaugural show at the new museum comprises more than 60 examples of landscape painting in 19th century France. Key works include "Rainstack (Sunset)" (1891) by Monet and Van Gogh's "Houses at Auvers" (1890); to Sep 26

NAPLES

OPERA
Teatro di San Carlo
Tel: 39-081-757 2331
Il Barbiere di Siviglia: by Rossini. Gabriele Ferro conducts a staging by Filippo Chelli, with a cast led by Leo Nucci; Apr 25, 28, 30

NEW YORK

CONCERT
Avery Fisher Hall, Lincoln Center
Tel: 1-212-875 5030
www.lincolncenter.org
New York Philharmonic: conducted by Colin Davis in the world premiere of James MacMillan's "The World's Ransoming", with English horn soloist Thomas Stacy. The programme is completed by Bruckner's Symphony No. 9; Apr 24

EXHIBITIONS
Guggenheim Museum
Tel: 1-212-622 3500
www.guggenheim.org
Jim Dine: Walking Memory, 1950-1989. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 16
Picasso and the War Years 1937-1945: more than 75 paintings, sculpture and works on paper; to May 6

Metropolitan Museum of Art
Tel: 1-212-570 5500
www.metmuseum.org
18th Century French Drawings in New York Collections: highlights of a century of collecting, featuring 100 outstanding examples by 59 artists including Watteau, Boucher and Fragonard; to Apr 25
Picasso: Painter and Sculptor in Clay. Seen last year at London's Royal Academy, this show brings together 175 ceramic works by Picasso, mostly created between 1947 and 1982; to Jun 6
The Treasury of Saint Francis at Aesthetic: around 70 masterpieces of medieval and Renaissance panel painting, gold, textiles and manuscript illuminations, are joined by 30 loans. Includes pivotal works in the development of the early Renaissance art; to Jun 27

Whitney Museum of American Art
Tel: 1-212-527 2901
The American Century: Art & Culture 1900-2000. Millennium celebration featuring more than 1,200 works and filling the entire museum. Presented in two parts, the first of which concerns the first half of the century, including works by photographer Alfred Stieglitz and painter including Edward Hopper and Jackson Pollock. Accompanying the show is a programme presenting more than 200 works of American cinema; to Aug 22

OPERA
New York City Opera, New York State Theatre
Tel: 1-212-870 5570
www.nyco.org
Intermezzo: by R. Strauss. New staging by Leon Major, with sets by Andrew Jackson and costumes by Martha Mann. Conducted by George Marinian; Apr 24
Madama Butterfly: by Puccini. Conducted by Edoardo Gubellini. Staged in a staging by Mark Lamos first seen in November, with sets by Michael Yeager and costumes by Constance Hoffman; Apr 24

THEATRE
Belasco Theatre
Tel: 1-212-529 6200
Ring Round the Moon: adaptation by Christopher Fry of Jean Anouilh's 1950 comedy, starring Toby Stephens; opens Apr 28

Broadway Theatre
Tel: 1-212-307 4100
The Iowan Comets: by Eugene O'Neill. Howard Davies directs a cast led by Kevin Spacey

Circle Theatre
Tel: 1-212-239 6200
Not About Nightingales: by Tennessee Williams. Directed by Trevor Nunn and starring Corin Redgrave

Elbel Barymore Theatre
Tel: 1-212-529 6200
Amy's View: by David Hare. Directed by Richard Eyre and starring Judi Dench

Gramercy Theatre
Tel: 1-212-777 4800
Ashes to Ashes: by Harold Pinter. Karel Reisz directs Lindsay Duncan and David Strathairn

Longacre Theatre
Tel: 1-212-239 6200
The Gershwins' Fascinating Rhythm: revue celebrating the songs of George and Ira Gershwin, directed by Mark Lamos; opens Apr 25

Lycium Theatre
Tel: 1-212-239 6200
The Lonesome West: by Martin McDonagh, directed by Garry Hynes; opens Apr 27

Margolis Theatre
Tel: 1-212-307 4100
Annie Get Your Gun: Peter Stone's revival of Irving Berlin's musical is directed by Graciele Daniels, and stars Bernadette Peters and Tom Wopat

Minsk Box Theatre
Tel: 1-212-239 6200
Cover: by Patrick Marber. Cast includes Hilaria Limon, Rupert Graves, Anne Friel and Claran Hiles

Musée de la Ville de Paris
Tel: 33-1-4049 4814
www.musee-assyrie.fr
Edward Burne-Jones: major retrospective of the

British pre-Raphaelite painter, which forms the mainstay of the museum's "season angles"; to Jun 6
Sofistic Revival: Architecture and Decorative Arts of Victorian England. Display examining the fascination of mid-19th century artists with medieval culture; to Jun 6

Musée de Louvre
Tel: 33-1-4020 5151
www.louvre.fr
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

OPERA
Opéra National de Paris, Opéra Bastille
Tel: 33-1-4473 1300
www.opera-de-paris.fr
Lohengrin: by Wagner. Conducted by Mark Elder in a staging by Robert Carsen, with designs by Paul Steinberg; Apr 25, 28

Opéra National de Paris, Palais Garnier
Tel: 33-1-4343 6696
www.opera-de-paris.fr
Pléiade: by Jean-Philippe Rameau. Conducted by Marc Minkowski in a staging by Laurent Pelly; Apr 28, 29, 30

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Lohengrin: by Wagner. Conducted by Mark Elder in a staging by Robert Carsen, with designs by Paul Steinberg; Apr 25, 28

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ST. LOUIS
EXHIBITION
St. Louis Art Museum
Tel: 1-314-721 0072
Beckmann in Paris: previously seen in Zurich, this show explores the German artist's relationship to the city he settled in. Work by Beckmann is displayed alongside that of French contemporaries; to May 9

EXHIBITION
St. Louis Art Museum
Tel: 1-314-721 0072
Beckmann in Paris: previously seen in Zurich, this show explores the German artist's relationship to the city he settled in. Work by Beckmann is displayed alongside that of French contemporaries; to May 9

STOCKHOLM
EXHIBITION
Moderna Museet
Tel: 46-8-5185 5300
www.modernamuseet.se
Aleksandr Rodchenko (1891-1956): major retrospective of the Russian Constructivist; to May 24

TOKYO
DANCE
NHK Hall
The Royal Ballet: Naron, with designs by Nicholas Georgiadis. Anthony Twinn conducts the Tokyo City Philharmonic; Apr 24, 25

EXHIBITION
Tokyo Metropolitan Art Museum
Tel: 81-3-3623 0021
Masterpieces from Washington's National Gallery of Art: works on loan by artists including Renoir, Degas, Monet, Cézanne and Van Gogh; to Jul 11

OPERA
New National Theatre
Tel: 81-3-5352 9999
Die Fledermaus: by J. Strauss. Conducted by Yukio Kihara in a staging by Kyoto Fujishiro, directed by Hironori Tansaki; Apr 24, 25

TORONTO
OPERA
Canadian Opera Company, Hazelton-Gardner Centre
Tel: 1-416-383 8671
www.coc.ca
The Golden Age: by Randolph Peters. World premiere. With a libretto by Robertson Davies, based on the ancient fable. The director is Colin Graham and the conductor is Richard Bradshaw; Apr 25

VIENNA
CONCERTS
Koncerthaus Wien
Tel: 43-1-712 0485
Jean-Michel Basquiat: Paintings and Works on Paper. 100 works on loan from the Mugabli Collection make up the first show in Austria devoted to the black-Hispanic US artist; to May 2

Oesterreichische Galerie Belvedere
America: The New World in 19th Century Painting. Dealing with the period from the Declaration of Independence in 1776 until the US entry into World War I, this show traces the history of the country through the eyes of its painters; to Jun 20

OPERA
Wiener Staatsoper
Tel: 43-1-51444
Cavalleria Rusticana: by Mascagni/Pagliaro; by Leonore Padellaro. Simone Young conducts a staging by Juan-Pablo Portillo; Apr 25, 28

WASHINGTON
EXHIBITION
National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov
American Impressionism and Realism: The Margaret and Raymond Horowitz Collection. 48 paintings and works on paper. Highlights include works by William Merritt Chase; to May 9
John Singer Sargent: previously seen at the Tate Gallery in London, this show includes more than 100 paintings and watercolours by the American portraitist; to May 31

Phillips Collection
Tel: 1-202-587 2151
Georgia O'Keeffe: The Poetry of Things. Brings together 66 paintings and works on paper; to Jul 18

ZURICH
EXHIBITION
Kunsthallen Zurich
Tel: 41-1-251 6765
Chagall, Kandinsky, Malevich and the Russian Avant-garde: exhibition exploring the artistic upheavals of the first two decades of this century. Includes important Russian loans; to Apr 25

Arts Guide by Suzanne Ruskin
e-mail: susanna.ruskin@bt.com
Additional listings supplied by ArtBase
e-mail: artbase@lynet

WEEKEND INVESTOR

REVIEW

• Mega-merger move for supermarket chain draws scepticism • ABF looks for a new slice at the top • Furniture retailer loses top-drawer status • Varsity man bids farewell

Kingfisher could face battle to check out Asda

For UK shareholders the biggest news of the week - at £19bn - was the revival and conclusion of last year's abandoned merger talks between Asda and Kingfisher.

A year ago, market speculation over a deal between the two companies led to talks being broken off but this time the same process - Asda's shares rose swiftly in the first half of April - led only to confirmation that a deal would shortly be unveiled.

Under the merger, Asda chief executive Allen Leighton would be deputy chief executive and its chairman, Archie Norman, would become deputy chairman.

The merger revived memories of a previous effort to create a retailing colossus in the form of Asda-MPL in the late 1980s, this caused equal excitement. A few years later, the two companies were expensively demerged.

Kingfisher's shares sagged in the wake of this week's announcement, reducing the value of the offer to Asda shareholders. Lex was unpersuaded of



Geoff Mulcahy, insists on building scale to offer value to his customers

the merger's rationale: "What - other than a desire for scale - is behind the merger?"

Using the loaf

The generational handover at one of Britain's biggest family-owned companies could go more smoothly this time than last. The Weston family has run Associated British Foods since it was founded by Garry Weston's flamboyant father in the 1930s.

His 33-year stewardship of the family firm has attracted many plaudits. His speciality has been selling companies, although his 1991 £800m acquisition of British Sugar showed he could spend too, when the value was compelling.

an ebbing fortune - the Weston family's £1.5bn pile ranked it sixth in The Sunday Times's recent 1998 Rich List.

Compelling value has eluded ABF in recent years, so this week it announced a special dividend to pay out a third of its £1.5bn cash pile. At the same time, Weston's son, George, was appointed head of ABF's bread-making operation.

DFS promises

Another sign that the fortunes of the UK's hard-pressed retailers could be on the up came from furniture retailer DFS. A market darling after its 1998 flotation, DFS became an anti-hero after a profits warning last year.

Nonetheless, those words were: "We are in a much more encouraging position than at this time last year... we think it has hit the bottom." Despite an increase in its market share, price-cutting and a fall in like-for-like sales meant DFS's interim profits fell by 34 per cent to £12m. Kirkham says sales have been steady since the start of the second half in February.

LTCM to ride again?

Having led the consortium that rescued hedge fund LTCM last autumn, Robert Corzine, retiring head of Goldman Sachs, is now leading attempts to re-establish the fund's independence.

Exit Rice, with jam

Victor Rice, the Essex émigré who in a 25 year-career in North America rescued Massey Ferguson, turned it into Varsity and in 1986 merged it with Lucas, became a casualty of its takeover by US auto-components maker TRW.

way will be smoothed by a pay-off including £4m in cash and £13m in options.

Giant Eurotelecom deal

Riill seeking to evade Olivetti's £36bn takeover bid, Telecom Italia agreed the bones of a £114bn merger with Deutsche Telekom. However, the deal faces numerous obstacles and it is unlikely all will be resolved with certainty before Olivetti gets his formal offer in the post to shareholders.

Even bigger, Stateside

In the US telephone group AT&T launched the "largest unsolicited bid in history" by slipping \$58m on the table for cable television operator, MediaOne, besting by 17 per cent an existing offer for the company. It is

only a few weeks since AT&T completed its \$40bn purchase of another cable company, TCI.

Millennium's Asian deal

Hotellers Millennium & Cophorne announced a heavy - 13 for 20 shares - \$438m rights issue to buy control of 43 Asian hotels from its majority shareholder, Singaporean Hong Leong group. M&C's share price remained steady at 58p against a 45p issue price. Lex considered that "investors seem happy for the company to call the bottom of the Asian crisis".

MAM responds

Responding to its argument with the Unilever pension fund, Mercury Asset Management bosses Carole Gately and Stephen Zimmerman admitted MAM had made some poor investment decisions but denied charges of negligence.

Results due next week

Table with columns: Company, Sector, Announcement date, Last year's results, This year's results, Dividend (p), Dividend yield (%)

Last week's interim results

Table with columns: Company, Sector, Half year, Pre-tax profit (£m), Interim dividend (p)

*Dividends are shown net of tax and are adjusted for any intervening stock splits. Reports and accounts are not normally available until about six weeks after the end of the reporting period.

Current takeover bids and mergers

Table with columns: Company bid for, Value of bid (£m), Market price, Pre bid price, Value of bid (£m), Market price

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit (£m), Earnings* (p), Dividend** (p)

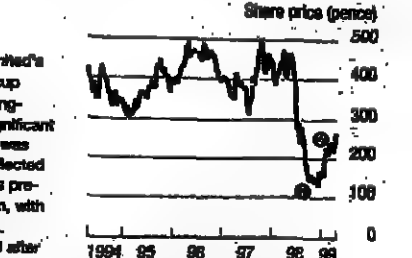
*Based on latest available information. **Based on latest available information. †Based on latest available information. ‡Based on latest available information.

DIRECTORS' DEALINGS: Optimism on show at Laird Group



A 75 per cent fall in pre-tax profits brought on by losses at Laird Group's US real estate unit and restructuring at the parent, led to a 100,000 share buyback.

Laird Group



On 30 March 1999, J.A. Baird bought 100,000 shares at 147p.

Transactions in own companies Apr 9 to Apr 9 1999

Table with columns: Company, Sector, Shares, Value (£'000), No of directors

Non-executives

Table with columns: Company, Sector, Shares, Value (£'000), No of directors

Source: 1999 The Equity Track, Edinburgh, 011-473 7070, October 99

Bank of Scotland advertisement featuring 'An innovative Bank of Scotland Account' with interest rates of 6.75% and 6.25%, and 'INVEST managed portfolio averaging 12.4%' and '10.6%'. Includes contact information and a coupon to request details.

Handwritten Arabic text: "مكتبة الامم"

WEEKEND INVESTOR

WALL STREET JOHN AUTHERS

Forget the results - it's the expectations that count

M.C. Escher is popular on Wall Street. His prints often adorn corporate boardrooms. In the earnings season, when corporate America tells the world about its profits, you can begin to see why. Escher's brilliantly precise prints capture logical impossibilities. Perhaps best known is the four-sided staircase where every flight of stairs points upwards, but each flight leads to another.

The game of publishing earnings moves in the same baffling realms of illogic. What matters is not the results but how they were compared with expectations. Results significantly different from expectations cause the biggest lurch in share prices.

The art of investor relations has grown more complex over the years. Companies steer expectations in a direction where they can best them by a cent or two. Similarly, chief financial officers manipulate the reported earnings as much as they can, using whatever devices are available to keep them moving steadily upwards.

Where once they were always upbeat, now they almost try to dampen hopes. I/B/E/S and First Call both publish definitive estimates of analysts' declared forecasts, updated regularly. In recent quarters, the same has taken on an extra dimension. Particularly in the more hectically traded stocks, there are "whisper numbers". Traders assume the company must have issued expectations downwards and form their own estimate, often on no information at all.

This leads the market into the world of Escher. A stock goes down, new reports say, because it "failed to set expectation" by as much as expected. It defies logic, at it happens.

Brian Barry, a professor at Southern Methodist University's Cox business school, suggests that "true" surprises now have more impact because a surprise in the present climate means conditions are either so bad or so good that the suits could not be manipulated any more.

A big positive surprise means that the company is doing better than even its own managers expected. Positive earnings surprises the past two weeks have underpinned the rally in oil stocks. Oil, paper and machinery have all risen faster than most all estimates. This is a good reason for a surge in cyclical shares.

Table with 2 columns: Index Name, Value, Change. Includes Jones Ind Average, Nikkei, Dax, and FTSE.

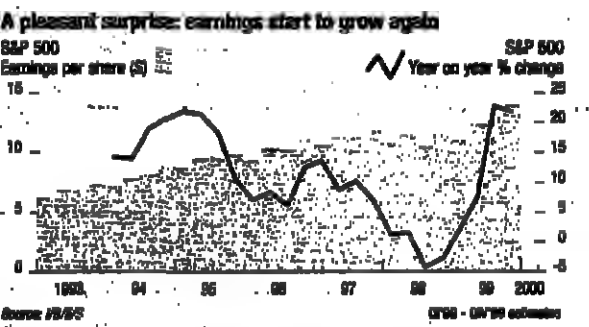


No blues for Big Blue: IBM exceeded everyone's expectations

prices. However, I/B/E/S points out that these companies' profits are still awful by any criterion other than what analysts happened to expect. Paper companies' earnings are down 29 per cent since the first quarter of last year, textiles are down 34 per cent, steel companies down 52 per cent and oil down 66 per cent.

In spite of this, US companies' profits are genuinely better than analysts expected, and the black arts of media manipulation cannot account for it. I/B/E/S says this is shaping up to be the best quarter for positive earnings surprises since the first quarter of 1988. The results themselves, away from the expectations game, are their best since the final quarter of 1997 when companies were about to be hit by the Asian currency crisis.

This provides a solid basis for the performance in the main indices in recent weeks. After its prolonged flirtation with 10,000, the Dow is staking out territory nearer to 11,000. It began this month at 9,786, and was



A pleasant surprise: earnings start to grow again

There is no question what has been this week's buzzword in the London market: rotation. Generally speaking, the term might seem obvious enough. But, as applied to equities, it bears thinking about.

Does it have the basic meaning, as defined in the dictionary, of spinning round a fixed point? Or is it an metaphor drawn from farming, where whole areas are left alone for a while - barring the odd dump of manure - and are then cultivated to burst back into growth?

Back on Tuesday, it looked as if neither applied. The drop of nearly 200 points in the FTSE 100 that day was prompted by simple fear of the unknown: more specifically, why was Wall Street all over the place, and what was happening to US high-tech stocks?

This kind of response is wholly natural in these uncertain times, and will recur. No serious investor supposes, for instance, that US internet stocks are sensibly valued.

The game is rather that of the Greater Fool. Buy a-stock at 100 times revenues; sell immediately to the Greater Fool at 120 times; and bear in mind that, if the game stops in the middle, the Greater Fool is you.

The nearest the UK market has to an internet stock is Dixons, which has benefited hugely from its fledgling internet access service. Sure enough, when the market got the wobbles on Tuesday, Dixons was the worst performer in the Footsie.

Sure enough, too, the best performers were the old

Chiroscience is that unusual beast in the world of biotechnology: it has a product. The only problem is the company does not have a partner to help sell it. Most biotech companies are the reverse. They have scores of alliances, but little to sell.

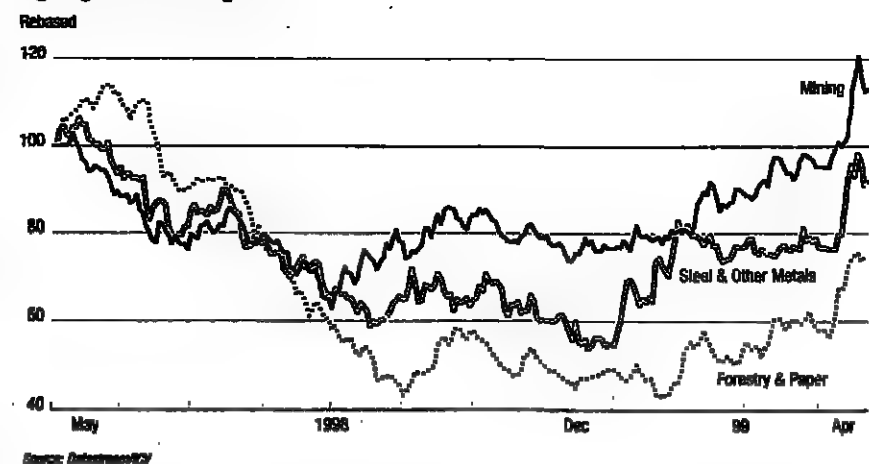
The reason for Chiroscience's predicament is that Zeneca, the UK pharmaceutical company with which it had a marketing agreement for Chirocaine, a local anaesthetic, has just completed a merger with Astra of Sweden. Astra has two local

ONLOOKER TONY JACKSON

Dizzy days as the Footsie spins

This week's response was wholly natural in these uncertain times and will happen again

Fighting back after tough times



Source: InformationWeek

reliables: brewers, Marks and Spencer and Imperial Chemical Industries.

Such changes in sentiment sum up the rotation principle. Plenty of seasoned investors suspect the UK market - to say nothing of Wall Street - might be overvalued.

And as Richard Kereley of CSFB puts it, if there is a valuation risk in the market, it is to be found in telecommunications and pharmaceuticals.

Hence the fact that British Steel has outperformed the market by 60 per cent this year, and ICI by a quarter. These stocks were in such catastrophic shape that British Steel has still halved relative to the market in the past three years, whereas ICI is still 40 per cent down from a year ago in absolute terms.

There is a more bullish version of the rotation principle. This says that growth stocks are valued most highly when growth is hard to come by: for

instance, in the rather fraught world economic climate of last year. But now economic prospects are brightening, and the dogs can have their day.

Domestically, this means that if the UK economy is indeed warming up nicely - and that seems to be the message of this week's economic data - it may be time to buy the direct beneficiaries of consumer spending, such as the brewers or retailers.

On a world stage, the argument gets trickier. The best-performing sectors in the UK this year - as in the US - have been mining, steel, and forestry and paper.

These have a great deal in common: highly cyclical industries driven by supply rather than demand and producing commodity-priced goods for world markets.

But if these sectors in the UK are to benefit from higher product prices, they will have to cope with the strength of sterling - which

is on the verge of what, in pre-euro days, would have been the danger level of DM3.

Perhaps, though, the market's hopes are based not on Europe, but on the signs of economic recovery in Asia. If so, there is a wider worry.

Ever since the Asian crisis struck, 18 months ago, the world has enjoyed the luxury of easy money. This is largely because the US Federal Reserve has regarded Asian devaluation and overcapacity as disinflationary.

This has had a harsh impact on those western companies, such as steel and paper makers, which have been competing with Asian producers on price. It would seem, if Asian prices and product markets are picking up again, their prospects should also improve. But the question then arises of what this means for world interest rates?

The worry does not stop

there. As broker BT Alex Brown pointed out this week, there are mild signs of inflation within the UK economy as well: for instance, in the vexed data on average earnings. And if, as the brokers point out, the trend towards cyclical stocks is based on higher domestic product prices, the UK authorities will, in turn, be that much less willing to cut interest rates further.

The majority of companies on the UK market by value - drugs, utilities, banks and so forth - are not particularly cyclical in character. That is, only a minority of companies can expect a cyclical surge in earnings.

And the market fundamentals these days, it is worth repeating, are not earnings-based. If they were, price-earnings ratios would not be so high.

Equities are, rather, underpinned by their yield relative to gilts. It follows that if a cyclical upturn leads to higher interest rates, equities stand to lose more than they gain.

But it never does to be too gloomy, especially in these markets. The Footsie, after all, ended the week pretty much where it started, in spite of that nasty dive on Tuesday, and is only a touch off its all-time high. The Dow, too, seems lodged above the magic 10,000 mark.

So perhaps, after all, the more basic meaning of rotation applies. Rather than placing bets on dodgy economic scenarios, the market has simply been spinning around in circles: and none the worse, it appears, for the experience.

tony.jackson@ft.com

Taking the pain out of parting

anaesthetics of its own.

Thus, last December, when Chiroscience became the first UK biotech company to win a drug approval, it did not see the jolt to its share price it might have expected.

When the US Federal Trade Commission ruled that Astra-Zeneca had to get rid of Chirocaine, the share price fell to about £2. In March 1997, when Chiro-

science had nothing to sell but a dream, it had been trading above £5.

The reaction to the anti-trust ruling strikes some analysts as perverse. Not only did Chiroscience receive a £10m pay-off, but it also regained exclusive rights over Chirocaine, which Zeneca had bankrolled through the hazardous approval process. Moreover, it had a further £80m in the bank against a "burn rate" - biotech's fancy term for an annual loss - of only £18m.

"The exit from Astra-Zeneca has been quite good for Chiroscience," says Earl Koenig, analyst at Dresner Kleinwort Benson. If the company is able to sign the

right marketing deal, he believes the shares should benefit. A company of Chiroscience's size simply lacks the clout to take on the big boys single-handed.

There is another important issue. That is the labelling Chirocaine receives and once complicated negotiations with the US Food and Drug Administration are completed, Chirocaine is a "cleaned-up" version of bupivacaine, the local anaesthetic sold by Astra. Chiroscience believes its product is much safer: it does not cause the occasional heart failure that can result from incorrect administration.

Chiroscience says it has proved this in animals. But

to do so in humans would mean conducting unethical trials that could endanger lives. If it can convince the FDA to acknowledge the animal trials and give Chirocaine a better label that recognises its safety, its marketing position would improve markedly.

The company also has an income stream from its chiral business (its drug-cleaning technology) and some promising drugs in early development.

Most promising of these, he says, is a cancer drug that has engaged the interest of Bristol-Myers Squibb, a big US cancer specialist. There are also (less important) drugs closer to market, including a chiral version of methyphenidate for attention deficit disorder.

David Pilling

FUNNY MONEY



THE LONG VIEW BARRY RILEY

Out of the public gaze

New issues are conspicuous by their scarcity as the market shrinks

th another new all-time high recorded this week by the All-Share Index, which has topped 3,000 for the first time since Monday, the London Stock Exchange has been having a great party. It hardly any companies seem keen to join in.

When I was new issues editor of the Investors' Review in 1965, there were 13 flotations in a single week - by courtesy, as I remember, of a James Callaghan capital gains tax rate. Those were the days, the first three months of 1969, there were only three flotations of UK trading companies. It was the quietest quarter for new issues in 10 years.

There does not seem to be a real deal of action around here seasonally better and quarter, either through a couple of chunky telecommunications flotations, Scottish Telecom, Kingston Communications, are in the news and the South African flotation continues with Anglo and Old Mutual. Meanwhile, several dozen takeover bids are in progress, so the number of listings is shrinking. This is primarily a crisis of offer companies. Big companies have become so reluctant that professional investors have largely lost

faith in the small fry. True, smaller companies have temporarily shown outperformance in the past few months. But the smaller companies - taking in those in the SmallCap Index, the "fledgling" group and the real tiddlers on the Alternative Investment Market - are worth in aggregate only £20bn, or 6 per cent of the £1,500bn UK equity market. This is too small a sector for the big institutions to devote much time to.

But there is a broader question here. The UK stock market has almost ceased to function as a primary market channelling capital to the corporate sector. Total equity issues have declined consistently, from £14.8bn in 1994 to £4.4bn in 1998; and, within that trend, rights issues have shrunk from £5bn to £1.4bn.

In fact, companies have been buying their stock back, possibly to the tune of some £18bn this year, according to the brokers CSFB. There is also a wave of cash bids for other companies which could be worth £25bn in 1999. It adds up to a stock market shrinkage of over 2 per cent. The equity market no longer finances the corporate sector; it retains only its secondary function as a valuation mechanism. Executives in successful companies increasingly see their listing as a means of generating profits on stock options. When it does not do that - as with most smaller companies, where share prices on average are scarcely higher than two

years ago - there seems little point.

An alternative has sprung up: that of so-called "private equity". UK venture capital houses raised £6.5bn in new money from institutional investors (often American) in 1997, compared with £3.6bn raised through the public market. Years ago, the private equity funds focused on financing new businesses but, these days, the big money is involved in restructuring companies

that were formerly listed, or at least were subsidiaries of quoted groups. In effect, pension funds and life companies are diverting money from listed small companies and reinvesting it in private equity funds. This trend has gone much further in the US, but the UK is catching up. The obvious attraction is that private equity returns have been higher: no less than 28 per cent a year over the five years to 1997 compared with 15 per cent on the SmallCap Index.

But it is hard to believe that these now greatly enlarged funds can earn anything like the same returns in future. The mainstream institutions also run the risk of undermining the corporate governance improvements they have pressed for over a number of years. Listed companies must report accurate information and follow governance codes. But transparency takes a back seat when companies disappear into private equity funds, some of which are beginning to look like the most opaque of the old conglomerates, in a slightly different guise.

happy to receive most or all of their total real returns as dividend income, over several decades, dividends have provided 70 per cent of real returns on UK equities. But at 3,000, the All-Share index yield is only 2.2 per cent net, and chancellor Gordon Brown's tax changes have rendered big pay-outs less tax-efficient in the UK. Two-thirds of expected future real returns will typically have to come in the form of capital gains reflecting earnings growth.

This looks daunting. True, some of the new specialist smaller company exchanges in continental Europe, such as Germany's Neuer Markt and the Brussels-based Easdaq, have successfully attracted significant numbers of young, high-tech growth companies. The London market, in contrast, seems to be lumbered with too many unattractive and ageing companies which, in a dull economic environment, are going nowhere very much.

Non-growth companies are therefore under pressure to be taken private and re-engineered in some way. Even if they cannot be transformed through magic words such as "dot com" into glamorous growth stocks, at least value can be shaken out through smart refinancing as well as through rationalisation or trade sales to the big companies.

Today's new issue editors, though, may continue to twiddle their thumbs.

Woolwich advertisement featuring a large image of a ship and the slogan 'SHOULDN'T YOUR SAVINGS BE DOING MORE THAN JUST CRUISING? BE SURE OFFSHORE.'

Form for requesting more details of Woolwich Guernsey Offshore Asset Plus, including fields for name, address, country, and telephone number.

FT WEEKEND

THE LOOKING GLASS

And what did you do during the war, my friend?

Suzanne Glass tried to shut out the images of Kosovo horror with a trip to the Caribbean. But there was to be no escape

I write this column from paradise. The sea here comes in navy, emerald and turquoise stripes.

The sand through rose-coloured sunglasses is as pink as the pages of the Financial Times. On this island you can stand at the top of a hill, inhale the views and exhale the real world.

I came just for that. To throw the anxieties of city living over the cliffs and watch them be transported by the Caribbean winds. I came to feast on papaya and enjoy life's hedonistic gifts, removed for a moment from an onslaught of TV images of fear and horror that had wrought havoc with my conscience.

Here, I had spent a fortune not to know about the news, not to hear talk of Kosovo and camps. I had flown thousands of miles not to care.

I surfed and I snorkelled. I swam and I nurtured my tan. And then yesterday in a pina colada-induced state I took a trip on a catamaran.

I was distracted to make small talk with the other passengers. I had turned my

back and was facing outwards towards the high seas, when I felt the tap on my shoulder.

Behind me stood a smiling grey-haired Scotswoman. I made the small talk I had resisted. I asked what she did for a living. "I teach art," she said.

"To whom?" "To children... refugees."

"From where?" "From Kosovo."

"Ah," I said. "I see."

She didn't forget the details of her working life upon me, but I was compelled to ask. And so she told me about the school hall in the centre of Luxembourg, "buses" in hundreds of Kosovo Albanians.

She spoke of the family curtains, the "privacy" between the families. Families broken. A father missing here. A brother missing there.

She spoke of the professors and engineers who pace the corridors from dawn to dusk and of the civil war that broke out in the school hall at Christmas when the volunteers had attempted to play "pass the

parcel" with the children. She said she could only stare in horror as the children, with no toys of their own, screamed and wrenched the parcel from each other's grip.

As she talked the waves beneath the catamaran grew rough. By the time we reached the shore I was positively sick.

I couldn't lie on the beach that

afternoon and watch the sunset. I lay in my hotel room and watched CNN instead.

I had played hide and seek, but in the Caribbean, Kosovo had found me: the woman with the crossed face and the heavy case

I ought to have done but I didn't. Nor did the media with its choice of pictures force me to confront them in the same way.

But this time, in the hordes of dislocated, disturbed, directionless refugees, I see

ghosts and my conscience is screaming.

We can intellectualise all we like, of course, to dissociate this human tragedy from the holocaust. A friend of mine said: "That damned Milosevic is bad, but he's no Hitler. He's killing but not annihilating a whole race. He's cleaning but not burning. And the camp in

Reinhardt is one of refuge, not one of labour."

Massoudin is one of refuge, not one of labour."

I am far from alone, though, in an emotional response that forces me to make comparisons with the holocaust. I am far from alone with a conscience that defies me to be like one of the second world war bystanders I so cursed.

Of course, because the psychological and physical torture of the Kosovar Albanians is so reminiscent of the holocaust, it does not make it worse than the suffering of any other persecuted minority.

But these analogies have heightened our empathy. Never have I heard so many people say: "I want to do something, but what?" Collective political action has not assuaged our consciences on this one. Governments might take in refugees, Nato might

continue its increasingly controversial intervention and we might know that the money is coming from our very own wallets. But this has not sufficed.

The promise of the next airlift may be meaningless for the pregnant woman with dysentery rolling in the dirt. And we know it. This time, more than ever before, we are plagued by moral questions that reach our comfy sofas: "Shall I fill a suitcase with provisions and jump on a plane? Should I? Could it? Would it make any difference?"

Rhetorical questions in most cases, of course, because who are we kidding? Yes, we might be donating money, clothes or cans of tuna. But we won't disrupt our lives, leave our jobs, risk danger and disease.

Instead we will stand up, switch off the TV, and go to work or escape to a Caribbean island.

But as the images of the exiled wax and wane in our heads, the war of our consciences will rage on. And for the foreseeable future at least, the pina coladas just won't taste the same.

The Vatican is growing embarrassed at the rise in popularity of shrines not sanctioned by the Catholic Church, reports Sofka Zinovieff

"I have an appointment with the Virgin Mary here at Angelo's Trattoria every 23rd of the month," said Pino Casagrande, as he finished his lunch, and looked out at the dozens of believers who were beginning to gather in the grassy car park.

"I have been seeing visions of the Madonna since 1996 - every day in a different place. She told me to go to where I cried, and as the church with the little Madonna which weeps blood is just down the road, I come here."

Casagrande, 75, was far from impressed with the crowds on this sunny spring day outside Civitavecchia, on the coast some 50 miles west of Rome. "I travel 12,000km every month, around Italy and abroad, and I am used to having 4,000 to 5,000 people," he remarked. "Let them wait."

As Angelo brought coffee and liquorice-flavoured sambuca, Casagrande - the "itinerant visionary", as he is known - described the Virgin. Beautiful, blonde and dressed in gold, she is surrounded by angels, and speaks Aramaic in dirge-like tones, which he somehow understands and transcribes into Italian.

Casagrande is not an isolated case in Italy. As the end of the second millennium approaches, droves of Italians are abandoning traditional church services, and flocking to alternative Roman Catholic shrines, lay visionaries, healers and exorcists. Stigmatises are sporting tears or blood as never before, and sightings of the Virgin are so common that their locations are taking over from the long-established Marian pilgrimage sites.

While the Vatican can easily condemn the "superstition" of the one in four Italians who consult astrologists, "magicians", fortune-tellers or occultists, its embarrassment is growing with its own cult of the paranormal. With 10m to 20m visitors and pilgrims expected to visit Rome for the millennium celebrations next year, there is also another fear that although many will pay their respects in St Peter's, large numbers will be more interested in shrines and visionaries not sanctioned by the Church.

Meanwhile, at Angelo's Trattoria, the faithful were pouring in to greet Casagrande and to look at his famous Polaroid photographs, which curiously develop with paintings of the Virgin or the face of Christ.

"It's faith that brings us here," said Albertina Fabrizi, a middle-aged woman with an impressive black beehive hairdo. She, too,



Message from the Madonna: Pino Casagrande, accompanied by followers outside Angelo's Trattoria in Civitavecchia, acknowledges a vision of the Virgin Mary, shown in a shrine (right) weeping blood



METROPOLIS

Visionaries spread the Virgin's cult

had her own photos, mostly of the sky or the sun, with strange flashes, shapes or configurations that, from a certain angle, resembled the Virgin, Jesus, or numbers.

One cloud had a wobbly "23" on it, "which is a sign that the Lord wants me to go to Casagrande, because that is the day he comes here."

Outside the trattoria, some 80 pilgrims, a mix of old, young, families and children, had begun to pray and sing hymns. It is largely followers such as these who fund the visionary's travels, and provide accommodation for him and his wife.

Casagrande took his place in the circle of white plastic chairs, next to an empty one covered in lace and bearing a plaque reading "For the heavenly Mama". After a trance-inducing repetition of Hail Marys, all went quiet, and Casagrande fell to his knees, his

arms raised. A rush of clicks and whirring followed, as numerous cameras were pointed at the sun.

"Look, it's the door to paradise," whispered Anna Scotti, an elegant woman in black leather, as she peered around a fresh picture of the sky with a large white rectangle obscuring its centre.

Several people pointed out the perfume of roses in the air. "You can always smell roses at home later, not just at the time of the vision," claimed Antonella Schiano, a young mother of two, who has been coming with her husband and children to see Casagrande for two years.

The Church's reaction to Catholic visionaries is one of scepticism and lack of interest. Michele Fusi of Rome's Gregoriana University claims that most of the new wave visionaries are false.

"They are part of the same phenomenon as the New Age search for spirituality and the invisible

world, even though they use a Christian symbolism.

"The contents of the revelations are usually theologically contradictory; we must not forget that the central figure of our religion is Jesus Christ, and not the saints or the Madonna," he said.

Such is the Vatican's fear of frauds and charlatans that its

Blonde and dressed in gold, the Virgin is surrounded by angels, and speaks Aramaic in dirge-like tones

own endorsement of miracles is growing in controversy. Pope John Paul II has gone into overdrive creating saints (a process which requires miracles), and yet the very people who report miracles and visions are becoming silenced and angry.

Vittorio Messori, a leading commentator on religious affairs,

has accused the Church of being "theologically correct, a tragicomic sub-species of the politically correct". In the case of one sanctuary associated with miraculous cures (Le Fontanelle - a "little Lourdes" of northern Italy), the organisation which runs it is so angered by the Vatican's dismissiveness that it is planning a pro-

test march in Rome.

In cases such as the bleeding Madonna of Civitavecchia, which has been formally recognised by the Vatican as "a sign of the presence of the Virgin Mary", Fusi stresses the importance of "scientific verification", and of "educating the people".

In the meantime, thousands of

pilgrims visit Civitavecchia, and the statuette which wept blood in 1896 has become yet another Marian shrine. It is particularly beloved of drug addicts, some of whose syringes line the walls in testimony of their "miraculous" cures.

As Casagrande sat slowly writing down the message from the Madonna, a salesman from "Sign of the Supernatural" laid out copies of the monthly magazine which, during the past decade, has become the mouthpiece for believers in the Catholic paranormal.

According to its editor, Piero Mantero, people are turning to visionaries because they find a warm, intimate religion, which modern priests are unable to give.

The Church, and particularly the bishops, "are critical and negative. They are frightened of these things, and want to dis-

ance themselves. There is now a split between the 'rationalist' Church and an active section of the laity, many of whom are converted because of emotional, emotional experiences."

After Casagrande finished reading his message from the Virgin (as always, one of hope, love, faith and exhortation to pray), the faithful bought pamphlets and books published by the "Sign of the Supernatural".

A quick look through confirms that other contemporary visionaries also smell of roses, see the heavenly "Mama" on specific days of the month, and are associated with weird Polaroid photographs.

Notwithstanding the Vatican's conservative scepticism, and its pleas for scientific rationality, there seems to be no stopping the revival of the cult of the Virgin as it spreads through the Catholic world.

ARCADIA

Cutting down the tribulations at the trials

Karen Considine meets the extended 'family' of helpers that will make this year's 50th Badminton Three-Day Event run with precision

The Willis headquarters, just outside Malmesbury in Wiltshire, appears at first glance to sell garden furniture, pergolas and aviaries. Stroll back to the business end of the yard, however, and the half-finished sleepchase fences and railway sleepers tell the real tale of the Willis brothers, builders of cross-country fences for the Duke of Beaufort's three-day Horse Trials at Badminton.

As Badminton prepares for its 50th event, the Willis family, four brothers and four sons, are putting the finishing touches to the obstacles that will thrill the crowds and instil respect in the hearts of competitors on cross-country day, two weeks from today.

Alan Willis is matter of fact about his family's expertise: "My father and grandfather worked with forestry on the duke's estate, but the only fencing we did was between the fields. And then, one year, we were asked to lend a hand with the jumps - we were just lucky enough to be on the spot at the right time. We start planning the changes to the course for the following year in June and it takes us that long, with all the travelling we do in between whites."

Willis does not just mean a jaunt into the next county for the local point-to-point. The Willis brothers' success ("None of us ride but we know what a horse can do") has taken them to Hawaii and Japan, to the Olympics at Barcelona and Atlanta; they are chief course builders for Sydney 2000.

This winter, Alan and son James alternated working with the mud and oak trunks of the Badminton course with gum trees from the Blue Mountains, to build fences in the heat of the Australian summer.

Now that they are world-travellers, is Badminton still special? "Of course it is," said Alan. "Everyone involved is like a family here; we don't get cotton-mouth snakes in the water jump and we don't have to eat blooming McDonald's all the time, either."

Tony Witt, a dry stone-waller and another of the Badminton "family", says: "They [the Willis brothers] show us exactly what they want, they give us the angle of the fence and we all build it together. It works a treat."

Although his father was a gamekeeper at Badminton, Witt

'I put up a notice 'Careful - Ducks on the Road' and, as soon as I did that, everything was beautiful'

was apprenticed to a local dry-stone waller, and now his son, Andy, works with him on the horse trials course.

"With stonework you've either got the gift, a feel for the stones, or you haven't. The most important part of the wall is the middle, and nowadays you see these fellows building up the two

sides and pouring a bucket of stones between them. That wall won't last more than a year or two. We've been working on Tom Smith's Wall, that's a well-known jump, named after one of his grace's tenant farmers."

Farmers and farm workers on the Gloucestershire-Wiltshire

act as mounted stewards.

Colin Stainer, a farm manager, has been taking a week off work for Badminton horse trials for the past 20 years. "When I first started, I used to help the gamekeeper keep the deer off the course. Nothing was roped off and when the loudspeakers started up the herd just panicked," he said.

Now the deer are corralled and Stainer helps the duke's chauffeur drive the sponsors' vehicles to Heathrow airport to pick up international judges.

"I nearly gave up this year - it's a busy time on the farm; but what with it being the 50th and everything... and I really like seeing my foreign friends again. On Saturday, I escort the paramedics. I know the park like the back of my hand and we all help each other, you see." That "family" network again.

The vast mass of people visiting the horse trials can indeed cause confusion, even among those who know Badminton Park well. Ambulance drivers have become disoriented, police horses have fallen through footbridges. More than 200,000 people will come to the tiny village of Badminton during the week of the horse trials, disrupting traffic, parking 600 caravans where the duke's Jersey cattle usually graze, and filling to capacity every B & B and hotel within 20 miles.

After the trials are over, the invasion really starts for the locals.

Competitors' horses in the stable-yard of Badminton House can look into the family bar of the Badminton Club in the village. Its skittle alley and beer at up to £1 a pint less than in the pubs attract residents all year

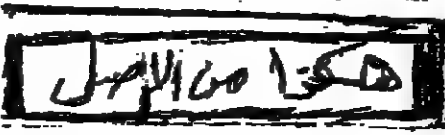
round and a swarm of temporary members during Badminton Week. The women of the village dragged the club into the 1990s a year ago at the annual general meeting, when they turned up en masse and voted the "Men Only" bar into an "Adults Only" equivalent.

Up Luckington Lane, past the jump of the same name, Nick Greening, whose wife runs The Old Royal Ship Pub, assured me that no one minded the annual influx of strangers.

"We get a good mix of people in, often the same year after year. We have all the trade stand people and a group of 22 Belgians who eat here every night. Everything is booked a year ahead and the regulars look upon it as a bit of excitement, some extra business."

Down on the course, Tony Witt leant on the wall he had perfected.

"I've lived here 30 years and I've never heard anybody complain. The traffic's bad, mind, and I'm responsible for our village pond so I started putting up a notice 'Careful - Ducks on the Road' and, you know, as soon as I did that, everything was beautiful"



FINANCIAL TIMES SURVEY

WATCHES, CLOCKS & JEWELLERY

SATURDAY APRIL 24, 1999

Ticking along nicely towards the millennium

Asia's financial problems have given watch, clock and jewellery makers some years of concern but trading is now solid, reports **Michael Balfour**

As the year 2000 approaches, timekeeping is achieving a special prominence in the public's mind. Commemorative watches, clocks and jewellery are arriving on the market, well ahead of Y2K fears for the great day, and these industries are marketing them as heirlooms of the future.

Sales will be pursued at two trade fairs to be held in Switzerland this month.

In terms of exports the watch industry ranks third in value in Switzerland, behind those of pharmaceuticals and machine tool manufacturing.

The Swiss watch industry as a whole reported exports up 1.3 per cent in 1998, at SF76.4bn according to the Federation of the Swiss Watch Industry (FH). The same source confirmed that 32.2m complete watches were exported in 1998, up 2.2 per cent.

Steel-cased wristwatches are increasing their sales at every price level, as demands for timepieces coincide with price sensitivity in the market place. The FH represents 97 per cent of the Swiss watch industry, and leading brands in the membership are presently exercised by the urgent requirement for comparability in retail prices in all export markets.

Margins of their foreign distributors are being eroded while members' own factory gate unit prices are being slimmed down as part of joint efforts to achieve, ultimately, retail price convergence.

Switzerland's round-the-clock observation of the European Union's economic health, and the possibility of its own application to join, may be influencing this attempt at convergence.

With a population of 290m and a combined GDP which stands at 19 per cent of the worldwide total, the sheer size of the Eurozone is providing the spur for Switzerland's new approach. Once common euro-pricing takes hold customers will rule.

The decline of the Asian market has halted and January 1999 saw improved exports there of 7 per cent with total exports for the month up 3.4 per cent (according to FH figures). Although Swiss exports there were down last year, from 44 per cent to 37 per cent, and Middle East demand fell by 2 per cent, lost sales were made up in 1998 by (in order of increases) Spain, the Netherlands, Italy, France, and the US.

The Swatch Group described its trading partner-

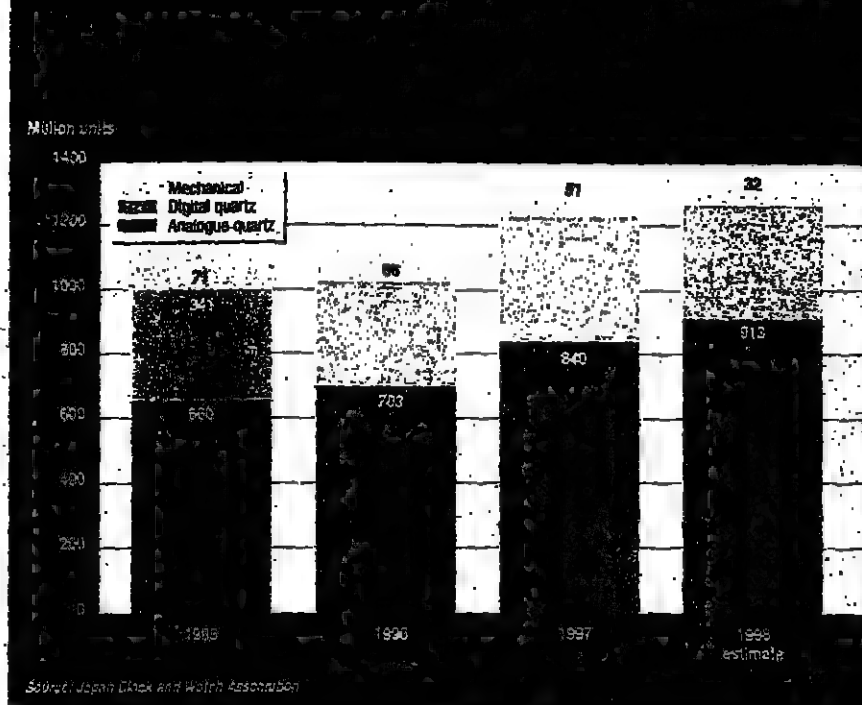
mance in 1998 as "very solid", and indeed the preliminary results of Switzerland's largest manufacturer of timepieces showed a unit sales increase of watches, movements and stepping motors of 2.3 per cent to 118.5m. Net sales were up 7 per cent to SF7.32bn.

The results highlighted the widely shared industry problems: currency conversion forecasts and consumer demand downturns in various but not all Asian markets.

A decline in Swatch Group's sales of movements to third parties last year was mirrored by a drop in TAG Heuer's watch case sales, and both companies are continuing their policies of taking direct control of local distribution, which is now a trend in the industry.

Christian Vross, chief executive officer of TAG Heuer, recently reported a decline in sales for the year ending December 31 (at SF656.1m). "Given the difficult trading environment in Asia, we are very pleased with TAG Heuer's sales performance. The fourth quarter's positive sales growth was achieved in spite of a strong comparable period in 1997, which included the launch of the Klirium series," says Mr. Vross. A strong watch com-

World watch trade production



one successful model in a year.

The Vendôme Luxury Group, a division of Compagnie Financière Richemont and controlled by the Rupert family, owns world-class luxury goods brands.

Unaudited figures for the six months to September 30 1998 showed watch sales down 0.6 per cent at SF7759.8m and jewellery sales up 18.5 per cent at SF7947.1m. The jewellery figure was "due principally to higher retail sales at Cartier".

World production of watches in 1998 amounted to 1.3bn units, an increase of about 2 per cent, according to the Japan Clock and Watch Association. Production of analogue quartz watches increased, while digital quartz models were slightly down, after a 1997 improvement. Watches with mechanical movements were also marginally down. Overall figures show output up in Japan and Switzerland but

down in Hong Kong and elsewhere.

Citizen of Japan, the largest watch manufacturer in the world, turned out, according to its own published figures, 341m watches and movements last year, a 10 per cent year-on-year increase. There is a discernible attempt by Citizen to increase its overseas sales of quality quartz and mechanical movements.

Citizen recently reported: "Apart from watches as time-measuring instruments, watches that can be interfaced with personal computers were marketed by various watch manufacturers based on the concept of wristwatches as wearable information terminal devices." Fingertip access to the Internet, via the wrist, is expected to become commonplace in the next century.

Buying and selling watches, clocks and jewellery, at every price level, via the Internet is likely to rocket as niche industries

become established there. Swatch reported boom sales in 1998 for its Internet Time, which was launched in conjunction with the new Swatch Beat.

Misleading descriptions, fraud, and the intrusion of "grey" or parallel supposedly trademarked goods (the EU is examining this subject now) are some of the problems awaiting this brave new world, however. Leading auction houses, all now on the Internet, are busy addressing these, with hard-won reputations at stake.

However they are reached, the steadily expanding watch markets are out there. Casio, Timex and Zeon have a plethora of hobby, sport and lifestyle models available. Then there are cool and new models, such as Cerix from Rado, Switzerland's domestic market's best-selling brand, the revolutionary DeVille Co-Axial (with a revolutionary new movement by Englishman George Daniels from the University of

Geneva) and the successful Omega brand, and Franck Muller's remarkable Grande Date Cintrée Curvée in 2000 pieces only.

Rolex and Patek Philippe continue to top the table for quality brand awareness. A new watch magazine for consumers will have the footfall at this month's two Swiss trade fairs in its sights. The Journal Suisse de L'Horlogerie has just been launched with editorial in three languages. Its initial print run suggests a readily identified market for news and views of Swiss timepieces, both new and "previously-owned".

The latter are pre-eminently the province of Geneva-based auctioneers Antiquorum, directed by Osvaldo Patrizzi. His next European sale is in Geneva, the home of watchmaking after all, and takes place today and tomorrow at the Hotel des Bergues, neatly timed between the Geneva and Basel trade fairs. His 1,200-piece consignment

in New York last month drew worldwide publicity, and many thousands of dollars for charitable causes.

Patek Philippe is consistently held to be one of Switzerland's greatest makers, and it was one of its unique 1889 models, a Calatrava, for which Antiquorum has gained a record price of £1,140,000 for a wristwatch.

While senior management in the Swiss watch trade are carefully observing currency rates in the eurozone, and the inroads of "grey" markets and fakes, they are generally sanguine about their principal markets, as the zeros of the forthcoming year approach their appearance in watch date windows.

Most watch brand catalogues sport a commemorative millennium wristwatch for countdown enthusiasts and collectors everywhere. This year's trade fairs should ensure that January 1, 2000, provides a golden



Virgin's cu

at the trials



Celebrer le Temps.

SALON INTERNATIONAL DE LA HAUTE HORLOGERIE by Michael Balfour

Where luxury is an addiction

This exclusive event is where the finest watchmakers meet to compare notes and display the quality and flair of their new designs

The ninth annual Salon International de la Haute Horlogerie (SIHH) opened in the Palexpo exhibition halls in Geneva on April 22 and continues until April 30. This event is for the watch trade only, unlike next week's much larger Basel Show, and is devoted entirely to the values of fine watchmaking. Exclusivity is the watchword of the organisers, and there are just 17 specially invited exhibitors presenting new models and future plans.

This international showcase is under the presidency of Franco Colonna. He comments: "The SIHH is not only a commercial event, but a meeting point between manufacturers who guarantee the extreme quality of their products, and distributors who are the privileged vectors of the brands' images. This is the reason the SIHH has been so successful for nearly a decade, and it will remain our philosophy in the years to come."

To this end the promotional activities of the Association Interprofessionnelle de la Haute Horlogerie, under the guidance of Eugen Maier, secretary-general, are of increasing importance. Of this year's exhibitors, seven are newcomers. They

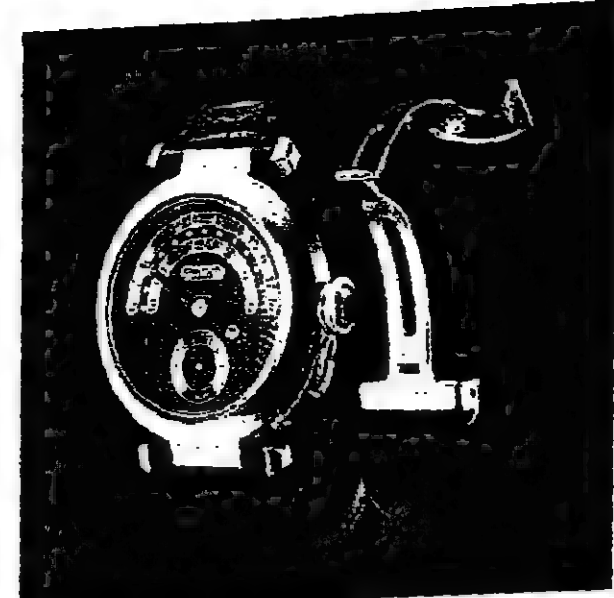
have moved from the Basel Show, and include for example, Breguet, bearing the name of probably the greatest watchmaker ever to engage in this trade. Breguet is now wholly owned by Investcorp, and under Jean J. Jacober, the chief executive officer, marketing is being sharpened up and new models are coming on stream. The familiar engine-turned dial and moon hands are present on its new *Classique* for gentlemen. There are also two new automatic chronographs, the tonneau-shaped *Héritage* and the round stainless steel

Type XX *Transatlantique*. New double rotor movements are housed in the new deluxe wristwatches of *Perpetet*, and this brand has discovered the marketability of beautifully presented limited editions, such as *Old Rose* (100 pieces only). Another new exhibitor is *Bovet*, which flourished 177 years ago and is now handsomely back in business. It is showing the *Fleurier de Bovet*, a lady's gold and diamond pocket watch. Audemars Piguet arrives in style, to the manner born since 1875. They are presenting the Jules Audemars

Tourbillon Minute Repeater Split-Second Chronograph, a mechanical masterpiece, combining scientific, technical and artistic skills of a very high order. Collectors should note that there will be just 15 made. Audemars Piguet are also unveiling their *Canapé Tourbillon*; there will be 25 of these. Limited editions are also found on the elegant booth of Girard-Perregaux. They include the *SF Foudroyante* (no accelerator movement for selling the 750 pieces of this Ferrari 70th anniversary piece), the *Vintage 1989* automatic Colum-

Wheel chronograph, and the new *F1-048* (1,000 pieces). Daniel Jean-Richard is another debut exhibitor with a limited edition, under the tutelage of Luigi Macaluso (owner of Girard-Perregaux). It is showing the *Gold TV Screen Chronograph* (25 pieces), and also a larger version of it, alongside the three model *Breguet* line. Roger Dubuis of Geneva completes the new "guest list" at the SIHH, and discloses his season's novelties for the company's traditional limited world distribution. One of the particularities of Roger Dubuis is its cases fashioned from palladium, and the *Sympathie* range demonstrates their appeal. Daniel Roth is showing the

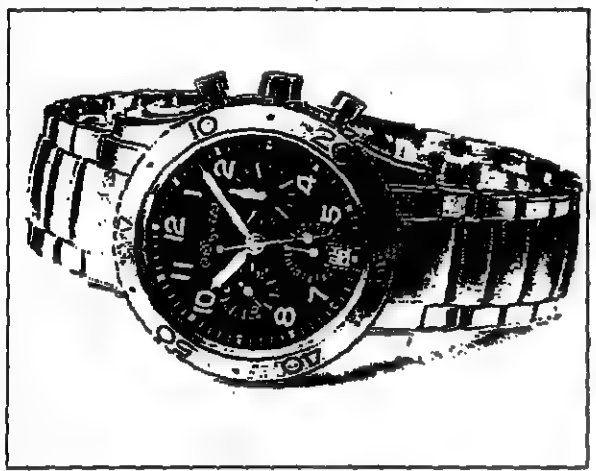
automatic *Papillon*. This jump hour, with a most original dial layout, is limited to 110 pieces each in 18 carat white and pink gold, and 30 in platinum. The *Vantage* and *Masters* collections demonstrate the art of fine watchmaking, and so does the *Backtuner*, by fellow exhibitor Gerald Genta. These two companies are associated with Singapore-based The Hour Glass and combine some of their essential functions with no loss of individual identity. *Farmigiani Fleurier* is another high class watchmaker, and Michel Farmigiani and his able team will be unveiling the automatic *Bates*, the *Crono Rattrapante* (10 pieces only), the tonneau-shaped mechanical eight-day *Ionica*, and the *Torus Quantum Perpetuel*. The other SIHH exhibitors are part of the Vendôme Luxury Group. Whether there will be a combination of some of their long-established individual operations remains to be seen. The odds are greatly against such a development, but normal business housekeeping of course continues. *Piaget*, for example, has recently acquired control of its north American retailing and distribution. From *Movado*, Under Francis Goussier, chief executive officer, Piaget has brought more beautiful timepieces to Geneva. The eight-day



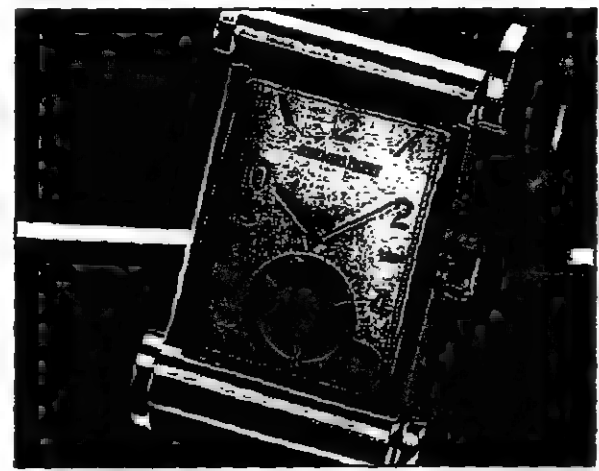
The *Fasha* day-and-night watch in Cartier's new *Collection Privée* is limited to an edition of 25

Emperador marks Piaget's 125th anniversary (50 pieces), and its *Altiplano* is an ultra-thin model with the Piaget signature unusually at 3 o'clock. Cartier is unveiling its *Collection Privée*, the best of the best. It includes a 25-piece edition of an automatic pink gold *Pasha* with a day/night indicator, another *Pasha* in white gold with a tourbillon movement bearing the intertwined Cartier double C logo, and an ultra-thin mechanical *Santos-Dumont* in platinum or yellow gold (small model in gold only). Cartier is also enjoying a success among horological connoisseurs with the large *Officine Generale* brand from Italy. Cartier also has *Batumi & Mercier* under its wing. This year two limited edition *Capeland* chronographs are displayed. Each is

numbered with a year of the present millennium, but number 2000 is in platinum and not for sale. *Vacheron Constantin* is pleased with the new 245 in its *Les Complications* collection. This automatic for gentlemen comes in white or pink gold and has a transparent back. The exhibition list is completed by Alfred Dunhill (with its *Longitude Millennium* watch) and *Montblanc* (showing a 75th anniversary limited edition *Meisterstück*) in the *Espace Luxe* within the SIHH halls. This sector looks likely to expand in the next few years. More than 5,000 invited visitors from 150 countries are expected. Each one is, to quote a 17th century expression, a "luxurist", professionally addicted to the "luxuriance" of the timepieces here.



The Type XX *Transatlantique* which is being launched by Breguet this week



The new *Canapé Tourbillon* from Audemars Piguet has an attractive visible mechanism

Basel '99 by Michael Balfour

New exhibition halls usher in bright future for show

Improved facilities and a more coherent layout make for a gleaming showcase for the world's leading watch, clock and jewellery industries

There will be a whole new atmosphere at the 29th World Watch, Clock and Jewellery Show which starts next Thursday and runs until May 8 in the old university city of Basel. The exhibition halls have been entirely rebuilt in the past 10 months. The 19,000 sqm steel and glass structure (4,300 skilled labourers from 140 companies completed the job) has cost SF-

180m, and the same amount again has been invested in new watch and clock stands. The *Messe Basel* will organise about 25 fairs a year, and next week's is the first in the new halls. The 100,000 trade and public visitors and the 2,315 exhibitors expected will find greatly improved clarity and coherence in the layout, as well as the more essential facilities that make trade

fairs bearable. This event is the most important in the trade calendar for all three industries. The exhibitors can be broken down as follows: 1,303 (66 per cent) in jewellery, 578 (26 per cent) in watches and clocks, and 484 (18 per cent) in related activities, such as tools, packaging, publications and special promotions. The world's 40 leading watch and jewellery produc-

ing countries will be present. Europe is most heavily represented, led by Italy (469 exhibitors, including 362 jewellers), Germany (445 exhibitors, including 304 jewellers), and Switzerland, which dominates the watch and clock sector (428 exhibitors, with 222 watch and clock companies among them). Adding to the show's international flavour, especially in jewellery, will be exhibi-

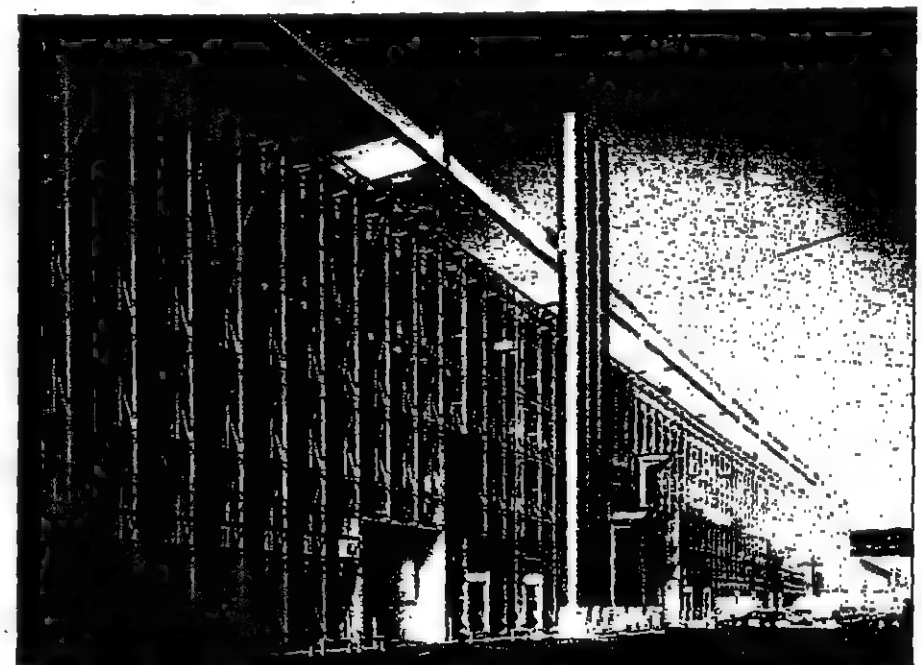
tors from Bahrain, India and Peru. A number of clear trends are emerging from Basel '99. The use of stainless steel for watch cases is still steadily increasing, and at all price points. It can be employed with a matt, polished or brushed finish which for example, *Allex*, use to great effect. The SF1,000-1,500 retail price segment of the market has never been better supplied with high-quality timepieces. And now sports applications, from upmarket brands carry a recommended retail price (rrp) from SF3,000.

New companies are, as ever, entering the market with strong creativity (companies such as *Clerc*, with its innovative new *Red*, *White* and *Blue* range, *Enigma* and *Frederique Constant*). There is continual internal reorganisation within groups of wristwatch manufacturers, as they seek economies of scale. The largest of them is the *Swatch* Group, which this year has reclaimed *Longines* and *Rado* as exhibitors in its 2,000 sq m joint booth area. The futuristic *Rado* is the best-selling brand within Switzerland. Another outstanding although continuing trend is the entry of fashion house brands, which are right to view wristwatches as almost obligatory daily accessories. Each has customers already committed to its brand. One example is *Hugo Boss*, which started in the watch market in 1996 and sold 40,000 units the next year. Last year 73 per cent of its sales were made in Europe but sales in the USA are still to come, and *Hugo Boss* hopes to have more than 3,500 outlets by the end of 1999. Its watches are marketed, produced and distributed by *Tempus Concept SA* in *Nenfâtel*, by a Swiss-based formula which seems to work. *Boss* is showing ranges such as *Initial*, *Metropolis*, *Pilot*, *Ranger* and *Spirit* at Basel '99.

In the new halls secure new stands have been devised by prominent watchmakers who will be presenting their new models to trade contacts. These well-known brands include *Chopard* (La Strada and *Imperial* collections, and *Grisogono*-designed pieces in the *diamond-set Ice Cube* range), *Jaeger-LeCoultre* (more variations of its famous *Reverso* and the *diamond-set 101 Rivière* with a tiny mechanical movement), *Patek Philippe* and *Rolex*. The two latter great brands reveal all next week, and not a moment before. *International Watch Company* with its *GST Deep One*, the first amateur diver's watch with a mechanical depth gauge, maximum depth display and a rotating bezel to show dive time, is a prominent exhibitor. A striking new stand, complete with deal-making meeting rooms, will be occupied by *TAG Heuer* (with their first ladies' chronograph, an automatic in the *Kirium* series, and a new automatic *Heuer Monaco II*, limited to 5,000 pieces). There are elegant new stands, each in more than 200 sq m of floor space and complete with carpets, show-cases, meeting rooms and reception areas. One will be occupied by *Blancpain* (away from the *Swatch* Group and showing an evening-wear chronograph). Others will be filled by *Breitling* (with its new *B2* chronograph, and no doubt a

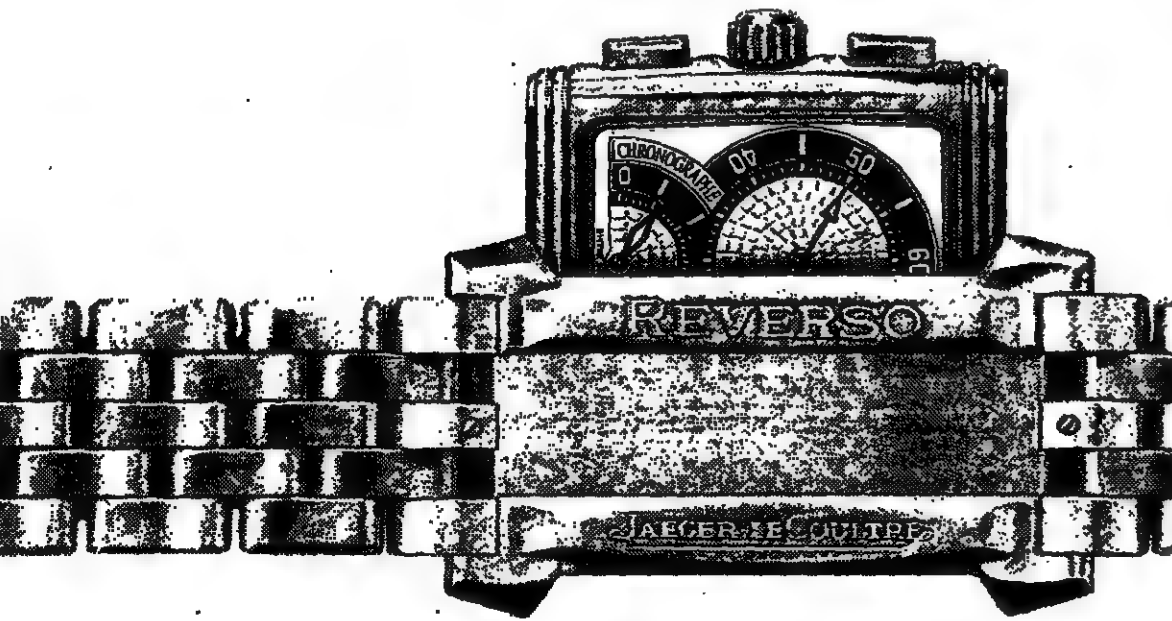
picture or two of the record-breaking *Breitling Orbiter 3* balloon adorning walls), *Concord* (in the resurgent *Movado* group), *Corum* (the new black, diamond-set *Tabogan*, which can also be a desk clock), *Gucci* (subject to takeover bids at present) and large quality maker *Raymond Weil*. Top pedigree watch manufacturer *Zenith* will show its new automatic *Port-Royal V* cased in two sizes of stainless steel, and announce details of its co-sponsorship of the *Linda McCartney Professional Cycling Team*. Another fine maker in *Le Locle*, *Ulysse Nardin*, unveils its quick-setting *GMT:Perpetual* (designed by *Ludwig Oechslin*). Along with its impressive single button chronograph, *L'Espace*, *Hermès* (which opened its watch factory in *Bienne* last month) has a stainless steel gentleman's *H-our* watch and a *Cape Cod* automatic on a new bracelet. Almost 80 per cent of *Rama's* output goes to the *Middle East*, and its *New Bellissima* line will be on show. This *Bienne* company has no fewer than five of its owning *Marachly* family working in it. This may be a contemporary record in Swiss watchmaking. The *Rosmer Watch Co.* in the baroque town, *Solothurn*, now under *Rolf Wuehrlich*, chief executive officer, and owned by the *Chung Nam Group*, is building on its *Power 8* series, and next week its quartz

Power Chronograph arrives in 12 versions. The *Power* range retails at under SF300. Long-established *Rotary* also prices competitively, and is displaying a new range of striking stainless steel quartz pieces which are less classical-looking than previous collections. *Chaumet* and *Ebel*, both under *Investcorp* ownership, have new products in the gleaming showcases at Basel. And so do the re-awakened *Delanau*, with its *Golden Dream*, *First Lady* and *Louka* watches, and *Oris* who have the new automatic *Big Crown BC3* in its successful *pilots'* watch series. *Casio's Voice Recorder Watch* is the Japanese maker's latest horological gadget, but now balances its catalogue with the new *Futurist* range, which is in fact retro in style. The *Casio Hotbit* has a 300 entry memory in its databank, another *digital* wonder for busy professionals who might actually need its 29 time zones. *Citizen* is featuring a stunning looking collection of retro digital and analogue watches on stainless steel bracelets, many with dial light functions. The giant *Citizen* is also adding to its Eco-drive light-powered timepieces. The new *Titanium Long Life* model is well named; a fully charged watch has a power supply for 10,000 hours. It will last until after next year's *Basel World Watch, Clock and Jewellery Show*.



The World Watch, Clock and Jewellery Show will be the first event in the new exhibition buildings which were completed in just 10 months

When a new Reverso emerges, there's always something behind it



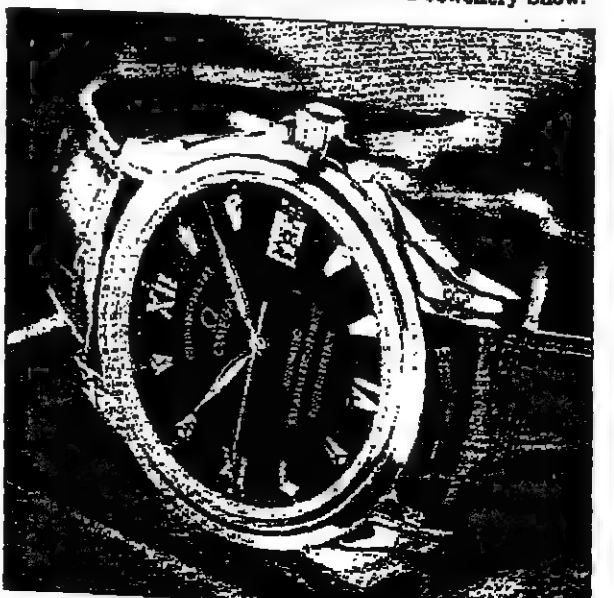
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The new *Power 8* Pocket pendant watch from Rosmer



Omega's *De Ville Co-Axial* Equipped Omega by George Daniels

WATCHES, CLOCKS & JEWELLERY 3

MILLENNIUM PRODUCTS by Michael Balfour

Timely souvenirs for a new era

Timepieces are still regarded as the most 'beautiful and curious in texture of mechanical things'

The watch, clock and accessory industries are perfectly suited for the millennial celebration products and countdown timepieces are counting away seconds the world over as regularly as party plans are being finalised.

So it is just as well that popular sentiment has settled on January 1 2000 as the first day of the third millennium.

Many commentators hold that the present millennium of the Christian era ends on December 31 2000 thanks to Dionysius Exiguus, a sixth-century monk who recorded that Christ was born at the age of one.

Towards the end of the last century scholars won the day, and January 1 1801 was recognised as the first day of the present century.

But January 1 2000 it is. Dr Kristen Lippincott, curator of the Old Royal Observatory and director of the Greenwich Meridian 2000

Millennium Project comments: "There is no doubt that Greenwich, as the world's home of time, will become one of the main pilgrimage sites in the world for the Millennium year."

The Old Royal Observatory in Greenwich Park, on the edge of London, is permanent host to Greenwich Mean Time (GMT), being the site of the Prime Meridian of the world longitude 0.

It was chosen at a 26-nation conference in Washington DC in 1884, and every place on the earth is now measured in terms of its distance east or west of this line.

Before then most towns in the world kept to their own local times.

Alfred Dunhill was the first company into the millennial marketplace. In 1981 it launched its

Millennium range of wristwatches, and this has evolved into a sleek-looking collection, with bezels fully

integrated into a variety of cases, and on a bracelet or strap.

These quartz watches have now been joined in the Alfred Dunhill catalogue by cufflinks and tiebars.

There too will be found a new range of AD2000 accessories. Alfred Dunhill, now part of the Vendôme Luxury Group, has also taken the name Longitude for an edition of 1200 pieces which include a fountain pen, globe cufflinks, a table light with clock (in the old Alfred Dunhill tradition), and a wristwatch. Each

bears a red ball logo, recalling the red time ball that falls down a mast on the Old Royal Observatory each day at exactly 13.00 hours.

The Longitude Millennium wristwatch has an automatic movement.

The silvered dial has roman numerals and a moving red ball to indicate the hour; hands indicate the minutes and seconds. Each

model number, up to 1200, is engraved on the back.

The great English watchmaker John Harrison, much celebrated in films and books recently, wrote in 1787: "I think I may make bold to say, that there is no other mechanical or mathematical thing in the world that is more beautiful or curious in texture than this my watch or timekeeper for the Longitude."

The GMT Perpetual by Ulysse Nardin is a complicated timepiece with what must be described as a timely name. Many makers employ GMT on dials, and the initials are generally legitimate.

Their manufacturers understand the mechanical consequences of the fact that the period of the earth's orbit around the sun is not 365 days, but 365 days, 5 hours, 48 minutes and 45.9278 seconds. The best of them have built into their products the fact that the year 2000 is, unusually, a

leap year.

Maurice Lacroix has this month added to its Masterpiece collection the Pontos GMT, in stainless steel with a fourth hand indicating the Greenwich Mean Time, irrespective of at which of the 24 world time zones the watch is set.

The Orbis Terrarum has been specially developed in Germany for the year 2000 by Dr Peter Groh, and is a bit unusual. This world timer, which is limited to just 200 pieces, has no watch glass, and the time is indicated by rotating discs, a central diamond and another on an outer ring.

The Grob wristwatch is in a category of millennium products that should hold their value once the fabled day is past.

A more widely known maker, Gerald Genta, has produced the Backtimer, a fine watch in this category, which features a countdown function displaying the number of days left until



The Backtimer by Gerald Genta counting down to 2000



The Longitude Millennium watch by Alfred Dunhill

2000. Just 456 pieces will ever be made.

He is just the kind of dedicated designer who knows that in fact the regulating clocks that maintain the world's precise time will, at exactly midnight on 31 December 1999, stop for one second.

The UK's National Physical Laboratory will add a seventh pip to its time signal.

The Accurist Greenwich Meridian 2000 Countdown Watch is officially endorsed by the Old Royal Observatory. It is a less expensive but is highly accurate.

These are just some of the millennial products on show at this month's trade fairs and retailers thereafter around all time zones. Perhaps the most convenient place to be at what most accept to be the start of the third millennium is the North Pole. There it is whatever time you choose.

LUXURY GOODS MAKERS by Alice Rawsthorn

Fashion designers starting to clock on

Watches are now becoming an important part of business for the leading luxury goods makers

On a breezy day this spring, a posse of Parisian executives, led by Jean-Louis Pumas, chairman of Hermès, the venerable French luxury goods group, descended on the town of Bienna, north-west of Bern.

They were attending the official opening of the brand new factory where Hermès will manufacture the watches, which have become an increasingly important part of its business.

Founded as a harness maker in 1837, Hermès diversified into different types of leather goods during the early 1900s and produced its first wristwatch in 1927 along with what may have been the world's first designer ring collar.

Sharp-eyed customers can still find very expensive dog collars in Hermès stores on rue Faidherbe-Saint-Honore in Paris, or London's Bond Street, but, unsurprisingly, its foray into

wristwatches proved more lucrative.

Having begun by buying in watches from specialist manufacturers, Hermès set up its own factory in rented premises in Bienna during the late 1970s, and has just opened a wholly-owned facility which is three times the size.

"We have very high expectations for this side of the business," says Guillaume de Seynes, director of Hermès Montres and great-grandson of Emil Hermès, the man responsible for the introduction of the company's first wristwatch in the 1920s.

"Watches are already our fourth biggest product in sales terms after leather, silk

and ready-to-wear. We've made a significant investment in the new factory because we expect even faster growth in the future."

Hermès is not the only luxury goods group to be stepping up its investment in the traditionally specialist watch sector.

Gucci, the Italian fashion company, has aggressive plans for Severin Montres, the Swiss watch manufacturer it acquired 18 months ago for \$18m.

Calvin Klein, the US fashion house, also intends to expand the venture it launched two years ago with Swatch, another Swiss watch group. These investments form

part of the expansion of the global luxury goods industry as fashion designers, like Calvin Klein, and artisanal houses, such as Hermès, seek to make the most of their marketing muscle by applying their brand names to a wider variety of products.

They also reflect the trend for consumers to regard watches, even expensive ones, as fashion-oriented products which they might buy because of their association with the visual identity of a particular designer or luxury label, rather than the technical expertise of a specialist manufacturer.

Gucci, for instance, added a watch collection to its

product range in the late 1970s, at roughly the same time as Hermès.

The watches were manufactured by Severin on a long term licensed basis until 1997 when the Gucci board decided to take advantage of the contract's impending expiry (in July this year) to buy the business rather than extending its licence.

"Severin was an important strategic acquisition for us because it enabled us to take control of a profitable part of our business that we can now make more profitable," says Domenico De Sole, Gucci's president and chief executive. "Another factor was that

Tom Ford, Gucci's chief designer) is absolutely functional about making sure that every element of Gucci is consistent - our products, store design and advertising. To do that we need to own our operations, particularly important ones, like watches."

Having acquired Severin, Gucci has restructured the distribution side of its watch business by taking control of distribution in Italy and France, and preparing to do so in Japan.

It is now preparing to extend its product range by launching new models at the Basel fair, and introducing a new line of more expensive watches early next year.

Other fashion groups are now following Gucci and Hermès' lead.

Calvin Klein is a relative newcomer to the watch market, which it entered last year after setting up a new company, CK Watches, with the Swatch group.

Rather than settling for a traditional licensing deal, Calvin Klein took a 10 per cent stake in the venture (the remaining share are owned by Swatch) to ensure that it could exert closer control over product development, production, distribution and marketing.

Ariette Smith, president of CK Watches and a director of Swatch, says that,

so far, sales are running ahead of target.

Some 600,000 watches bearing the Calvin Klein and CK brand names were sold during their first year on sale in 1998, and sales are expected to top 1m in 1999 with the introduction of new models.

"We've been researching the market very carefully and there's clearly a trend, particularly among women, to buy watches in various styles and to coordinate them with different outfits, like any other fashion item," she says.

"Consumers still want the quality of the traditional Swiss manufacturers, but they also want the flair of a favourite fashion designer. That's the way the market's going. Pretty soon all the well-known designers will have watches, as a standard part of their product ranges."

VINTAGE 1945
Collection

Vintage 1945 Ladies' watch with sapphire crystal lens and metal bracelet.
Sapphire crystal lens available in steel/gold.

Vintage 1945 Ladies' 18K white gold watch with diamond-set bezel and metal bracelet.
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LOCKMAKING TODAY by Michael Balfour

Looking backwards to look ahead

Preparations for the millennium are filling up clockmakers' order books

When the chimes of 12 o'clock ring out on the night of December 31 in Westminster they will usher in the 21st century. Big Ben remains one of the world's most famous clocks, although its proper name originally referred only to its 13.5 tonne hour bell (named after Sir Benjamin Hall, parliamentary Chief Commissioner when it was cast in 1856).

At the same moment accurate domestic chiming clocks in the UK's time zone will sound the familiar four bell Westminster chimes. They are based on the fifth bar of Handel's aria from his Messiah: "I know that my Redeemer liveth" but no doubt such reconduct knowledge will be sensibly lost amid great celebrations.

Big Ben hangs in St Stephen's Clock Tower, and the mechanism is the biggest and most accurate of its type in the world.

Throughout the UK, in more than 5,000 church towers, ancient clocks are being repaired, serviced and rebung in readiness for the great ringing of bells at noon on January 1 2000.

Piaget, the great Swiss timepiece manufacturer, has been the patron for painstaking restoration work on the Torre dell'Orologio in St Mark's Square in Venice. The famous tower was built in 1496 and completed three years later.

Piaget has sponsored the spectacular dismantling of the 5 metre high clock, which weighed more than 300 kilos, since February 19, 1997, and restoration was completed two years later.

The mechanism comprises two communicating but separate systems. The first operates the time, the signs of the zodiac, the sun, the moon and three magi, who bow before the Virgin and Child twice a year. The second system activates the two bronze figures which strike the hours with hammers on the bell that crowns the magnificent tower.

Piaget has manufactured a single table clock to commemorate the restoration. It is fashioned from a single block of rock crystal and, like the Torre dell'Orologio, features two dials. Each is surrounded by four small windows set with hawk's eye gemstones; the sides are encrusted with lapis lazuli panels studded with stars and a P for Piaget. After a worldwide tour, this horological work of art was auctioned at Christie's, New York on April 15.

Jaeger-LeCoultre is another fine watchmaker with a clock of its own which to boast. But its Atmos clock has long been in series production. The prototype was con-



A Georgian period table clock in burr walnut reproduced by Comitti

structed in 1928 by its inventor J-L Reutter and it is driven by air. Inside a hermetically sealed capsule a mixture of gas and liquid expands as temperatures rise and contracts as they fall, making the capsule move in a concertina motion. This movement winds up the mainspring, and a variation in temperature of only one degree, between 15 and 30 centigrade, is sufficient to drive the Atmos clock for 48 hours.

A less sophisticated range of clocks, some traditional in appearance and others ultra-modern, are made by Luxor, associated with Zenith, another fine watchmaker. Alarm clocks are continual sellers at every price, and they come from the watchmaking divisions of other leading brands such as Chopard, Bulgari, Gucci and Tiffany.

From Germany come the quartz movements that drive many clocks assembled in the UK. Fine clocks emanate

from companies such as the Welsh family concern Raport.

It has in its catalogue a small range of brass carriage clocks, which are ever-popular as commemorative presents.

The year 2000 will be the 150th anniversary of the family-run clockmaker Comitti of London. It was founded by Onorato Comitti as instrument makers and went on to manufacture fine reproductions of 18th and 19th century clocks.

"With growing demand for clocks which captures the style and tradition of clockmaking in England," says Simon Barker, managing director, "we have looked to create a collection which reflects the depth of this heritage". His company enjoys an international reputation for its cabinets, marquetry, movements and dials, and represents a sound example of a clockmaking company that looks backwards to look forwards.

SWITZERLAND by Frances Williams

Better times follow the Asian crisis

Makers who know their niche and have efficient distribution fare best

The Swiss watch industry, the world leader, turned in a remarkably resilient performance in 1998 despite earlier fears that the Asian economic crisis would seriously erode sales and earnings. The prospects for 1999 also seem to be encouraging, barring a slide into global recession - but stiff competition in all segments of the market is likely to increase concentration in the industry, according to analysts.

Exports reached a record value of SF78.4bn last year, up 1.3 per cent on 1997, as higher demand in the US and Europe more than compensated for the slide in Asia. More surprising, sales in recession-hit Japan also rose by more than 7 per cent, cushioning to some extent a drop of nearly a quarter in exports to Hong Kong, Singapore, Thailand and Taiwan.

Exports of finished watches, accounting for SF77.6bn of the total, increased by 2.2 per cent to 32.2m units, though sales of movements were down 3.7 per cent to 6m.

These encouraging overall figures nevertheless conceal divergent experiences of individual companies. The slump in east Asian emerging markets has hit some smaller groups such as Corum which are heavily exposed to the region.

Falling sales of gold watches since 1997 in favour of steel have also hurt specialised watch producers including Rolex, Switzerland's biggest maker of gold watches. "There's a shift away from

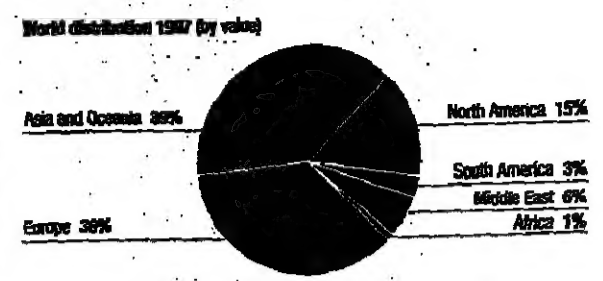
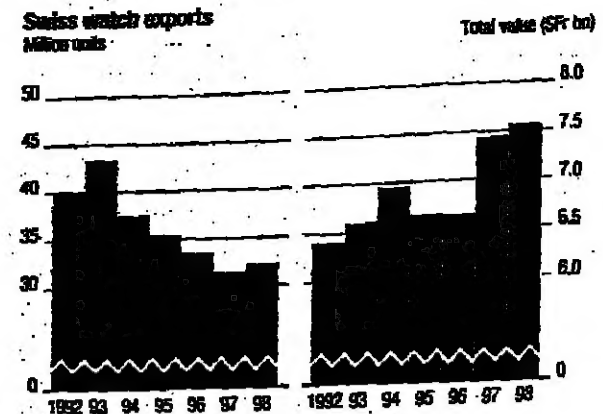
medallion man (gold watch and Rolls Royce) to something more understated (steel watch and BMW)", says James Amoroso, industry analyst with Bank Julius Buer in Zurich. Steel watches last year accounted for 37 per cent of total Swiss watch exports by value, an increase of a quarter over 1997.

Companies such as the Swatch Group, Tag Heuer and Vendôme (the luxury brand group owned by Richemont) have more than held their own by increasing sales in growing markets and exploiting (and moulding) changing consumer tastes.

Swiss watchmakers have also been pushing up unit values. Sales of the cheap stylish Swatch, for instance, which soared in the early 1990s, have plateaued at 18m-20m units a year - but the average price has risen due to higher sales of iron metal watches which cost more than the plastic Swatch.

The same is happening in the luxury category. Though sales of gold watches have declined, "there's a general trend towards more sophisticated and expensive movements", says Pierre Tissot of Lombard Odier, the Geneva-based private bank. In the mid-price range of steel watches, consumers are opting for more expensive models.

The Swatch Group, which as well as the ubiquitous plastic Swatch owns top of the range brands such as Blancpain and Omega,



Source: Federation of the Swiss Watch Industry

boosted turnover and net profits by more than 7 per cent last year, helped by the successful launch of its Calvin Klein line. Tag Heuer, which produces mostly steel watches, also improved margins and profits in 1998 despite declining revenues because of lower demand in Asia.

Analysts are generally positive about the outlook for 1999 in the face of still difficult global economic conditions. Sales volumes in Asia are expected to bottom out, with revenues increasing at least in line with the rising value of local currencies. Growth in Europe and the US, the single biggest market for Swiss watches, is set to slow but not disastrously.

Another positive factor is the apparent end of a damaging price war in the watch movements sector reflecting a fight for supremacy between Seiko and Citizen of Japan on the primary Hong Kong market.

The Swatch Group, which is the world's third biggest producer of watch movements, made a loss on this business last year as the cost of simple movements fell to below one franc. However,

the yen has since risen and movement prices have begun to increase, which should help the company's results in 1999.

The group, which is sitting on a big cash hoard, is also known to be on the prowl for acquisitions, especially at the top of the range with sport or fashion connotations. Switzerland still has nearly 600 small watch and components makers, in addition to the big four which together represent 75-80 per cent of sales.

According to industry estimates, the Swatch Group may account for a third of industry turnover, Vendôme for about a fifth, privately-held and secretive Rolex for perhaps 15 per cent and Tag Heuer for 7 per cent.

Pierre Tissot of Lombard Odier believes companies now need a critical mass to compete globally. "The key is not only to have the right product and marketing but also to control the distribution system", he says.

There will always be a place for niche companies with clearly defined brands, says James Amoroso - "but the others will have problems".

FRENCH INDUSTRY by Michael Balfour

With industries as least as old as those in Switzerland, France has never ceased to contribute flair in design and mechanical innovations. The greatest French watchmaker of all time (though actually Swiss-born) is Abraham-Louis Breguet (1747-1823). His inventions which included the tourbillon, perpetual calendar, montres à saut, and single-handed timepieces, are still employed today.

Still keeping in time with Napoleon

France has never ceased to keep pace with the designs and innovations produced by its famous neighbour

and both now flourish. The French watch and clock industries are confined mainly to the departments of Doubs and Franche-Comté historically due to the revocation of the Edict of Nantes in 1685 which caused Huguenot craftsmen to flee south towards the Jura mountains.

The French Watch, Clock and Micro-mechanism Manufacturers Association (CFHM) maintains a close interest in the Centre Technique de l'Industrie Horlo-

gère (Cetehor), under the chairmanship of Didier Roux, who is a jewellery chain manufacturer.

France's turnover in 1998 in the watch and clock industries totalled FF7.2bn, of which about one-third was consigned over the border to Switzerland, with another third to fellow European Union countries.

An established watchmaking centre is the town of Charquemont in the Franche-Comté, where the

Herbelin family concern, under the direction of Jean-Claude Michele Herbelin, produces a wide range of wristwatches.

The cheerful Newport chronograph is in polished stainless steel, with a salmon pink dial. Clyda is also based in the town. The Birmans square quartz models are on unusual original brushed steel bracelets, and brushed steel is in evidence through its catalogue.

Two more Charquemont

makers are Vuillemin Regnier, which is launching a retro-style tonneau-shaped model cased in rhodium called 1920, and Saint Honoré which boasts original case shapes. Its Ophelia collection has a rectangular faceted case and sapphire, and the Lady collection has a top winder and hangs loose off its strap. Like a pendant.

Saint Honoré has square (Manhattan) and round (Speedboat) chronographs. Besançon is home to the

horological inspirations of Alain Silberstein, whose architectural fantasies enliven his dial and case designs. His exclusive pieces offer clarity, primary colours and amusing, off-beat details. His World-Time chronograph has a red hour hand, navy blue centre seconds hands, and a yellow starfish small seconds hand. His choice of locations is typically eclectic - Besançon, Aspen, Inverness, Tashkent.

This year's Basel event will afford a first sighting of Boldo Krono, his new automatic chronograph. It is limited to 100 pieces worldwide. Jean-Christophe Mareschal is the creator of Akto wristwatches in Besançon. His recent pieces include Méteo, with a changing weather theme, and Baby Boom, which he terms "a cuddly kind of watch".

Mouboisain, Paris watchmakers since 1827, based in the Champs Elysées pro-

duced elegant and expensive, often beautifully jewelled pieces, for a market it understands. And so does Cartier in its historic premises in the rue de la Paix, where they annually add sophisticated timepieces in their classic ranges.

Also in the rue de la Paix in Paris, Mellerio Dits Meller (founded in 1613 and still family-controlled) has created one of the year's most unusual case shapes seen in any country.

This fine jeweller with two logos has produced a case for a wristwatch that can only be described as both beautiful and ovoid.

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PROFILE BREITLING

Balloon record puts a seal on aerial niche

Breitling is among the four most copied watch brands in the world. This less than desirable achievement provides confirmation of the world-wide appeal of a dial name, and all that lies behind it, which has created for itself a niche in the market - one that it can claim to be all its own.

A more satisfying achievement is that the Grenchen-based company has scarcely deviated from the image it established in 1884 under founder Léon Breitling.

In the watchmaking town of St Imier timekeeping instruments with technical features such as stopwatch mechanisms came from his workshop. A larger factory was soon established in La Chaux-de-Fonds, and then in 1915, Léon's son Gaston produced the first wrist instrument with a central chronograph hand and 30-minute totalizer.

In the 1920s he patented an independent chronograph pushpiece and a 1/10th of a second totalizer, after experiments in the second world war with military watches. In 1934 grandson Willy Breitling oversaw the first modern mechanical chronograph, and such watches remain the company's biggest sellers.

Breitling's renowned Navitimer wristwatch was launched in 1952. This pilot's chronograph is preferred by collectors of early aviation timepieces to its early quartz-driven successor the Cosmonaute (1962). These specialised instruments for

professionals, as the company likes to call them, were a natural fit with the interests of pilot and transmitter specialist Ernest Schneider, who acquired Breitling in 1979.

Micro-electronic quartz and mechanical watch movements have driven Breitling to further successes in the worldwide market for sophisticated multi-functioning timepieces. Breitling's main markets: Germany, US, France, Japan and the UK are fuelled with distinct ranges.

Navitimer models include, at its top end, an automatic (self-winding) chronograph in an 18 carat yellow gold case, on a gold bracelet, with a black enamel dial (in the tradition of pilots' wristwatches) bearing silver subsidiary dials, with an recommended retail price (rrp) of £13,290.

The Navitimer Cosmonaute models now house mechanical (wind-up) movements, manufactured by its La Chaux-de-Fonds subsidiary, Kelek. Cosmonaute are the only mechanical watches in the Breitling catalogue, most of the rest being automatic, with some quartz.

Breitling's Chronoliner group of watches includes the Chronomet GT and Crosswind pieces, and also the Chrono Jetstream chronographs which all have quartz movements. The Professional range includes a truly innovative wristwatch called the Emergency. This quartz chronograph can save lives. It carries a microtransmitter, and is

intended for close-range localisation of pilots or passengers of aircraft, and other owners in distress.

It was first presented at the Basel Watch Fair in 1988, after being developed in response to NATO requests and in association with the French Dassault aviation company. In any situation demanding localisation, the wearer pulls out the concealed antenna of the miniaturised transmitter, which then broadcasts a beeping sound every 2.25 seconds for up to 48 hours. "Here I am, come and rescue me," is the unspoken message put out by the electronic James Bond-type gadget.

Flying is the passion, hobby and business of the reclusive Schneider family. Théodore Schneider, 43, the chief executive officer likes to relax by flying up to Scotland for a few days shooting with his father Ernest, now 78. Mr Schneider oversees an operation which employs about 100 people in Grenchen and sold more than 100,000 wristwatches in 1998.

A new building, over the railway line from its headquarters, opens this July. Ever more attractive and sophisticated chronographs are planned, all with full official chronometer test certificates and one-year guarantees. This month in Basel Breitling launches its B-2 model, an automatic glassproof chronograph with highly readable subsidiary elapsed time dials. It includes an



The Breitling Orbiter 3 scored a publicity coup Ruben Sprich

aviation slide rule which, together with a minutes-to-hours conversion scale, is activated by turns of the bezel.

Switzerland's largest watch casemaker is Louis Lang, Vincent Lang, successor to his founder father, employs 550 craftsmen in Porrentruy, in the Jura mountains, near the French border, and Breitling is one of his important customers.

It happens that the youthful Vincent Lang's wife's sister Michelle is married to one Bertrand Piccard and thereby hangs a tale. It is a remarkable tale which concluded last month with one of the greatest world publicity coups of the 20th century.

The Breitling Orbiter 3 successfully achieved the first non-stop balloon flight around the world on March 20, after a 26,602 miles flight from Chateau D'Oax in

the Vaudois Alps, and it was manned by Bertrand Piccard and Englishman Brian Jones. Of course they each wore Breitling Emergency wristwatches.

It was the last gap to be filled in the aviation record book. Stefano Albiniati was Breitling's voyage director during the epic 20 days, and he helped achieve a pioneering ambition for Breitling's owners, the Schneider family. "We wanted to be known as the company which pushed back the frontiers of ballooning."

Such an astounding achievement can only have increased the value of a company completely dedicated to its aerial niche in the timepiece business, and one which has recently, like many independent watchmakers, been the target of takeover rumours.

Michael Balfour

SPORTS CHRONOGRAPHS by Michael Balfour

Racing against the stopwatch

Watchmakers are an integral part of the sporting world

Watchmakers such as Longines and Omega arrived on the sports scene with race timing devices, and today every maker offers a choice of chronographs (stopwatches) to meet the most popular secondary function of a wristwatch.

Sometimes the winding crown operates the start/stop function. More often there is a single button (round, square or rectangular) above the crown, or two buttons (push pieces) above and below it, for interval timing.

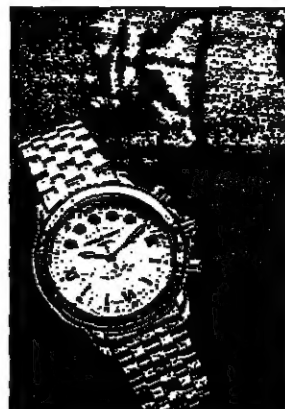
Early, unusual or limited edition chronographs are the ones worth collecting, and many of today's large makers produced interesting chronographs from the 1930s and 1940s onwards.

The second world war caused many more to reach military wrists for the regulation of manoeuvres and battle procedures. Swiss watch chronograph brands active at this time, generally with stainless steel cases, included Angelus, Doxa, Gallet, Invicta, Le Phare, Minerva, Nicolet, Orator, Pierce, Record, Venus and Wittnauer.

Today their names are seen in auction rooms and sales but they survived for years after 1945 as watches to time sporting events.

Collectors look out for Movado's Datochron (1975) and the (pre-TAG) Heuer Autavia from the same year. No early chronograph collection would be complete without a selection of good condition early examples from Breitling, Girard-Perregaux, IWC, Rolex and Ulysse Nardin brands which flourish today. And so does Zenith which in 1969 produced its still immensely respected El Primero movement, the world's first automatic chronograph.

Chronographs make acceptable prizes and presents at sporting events, and more especially if their sponsors are watchmakers. The 1998 Mille Miglia road rally next month along the windy Brescia-Rome-Brescia road is sponsored by Chopard. Karl Scheutle, president, will be driving with tenor José Carreras.



Frederique Constant's Yacht includes countdown rules

Mr Scheutle's son, Karl-Friedrich, is driving a legendary 1955 Porsche 550A Spyder. The 1000 Miglia 1999 chronograph, on a Dunlop rubber tyre strap, is limited to 100 pieces in 18-carat yellow gold and 1,000 in stainless steel.

The new Chronolink Racing Chronograph from the Swedish maker Sjöb Sandström is a two-partner. The upper features a normal mechanically driven watch dial with a subsidiary seconds. The lower part reveals an electronic digital display which offers functions such as home time and date, 26 world times, an alarm, a memory for codes, a golf score counter, and a racing chronograph.

Japanese manufacturers such as Casio and Citizen have an impressive choice of multi-function chronographs seemingly for every sporting event and outdoor activity, including driving, mountain climbing and flying. Citizen this year sponsor the FA Cup, the Rugby World Cup, and some tennis events.

Seiko presents the world's first Kinetic chronograph next week. Open skies are the dedicated domain of Breitling, and at Basel this month, fresh from organising and sponsoring the triumphant round-the-world Orbiter 3 balloon flight in March, the Grenchen family company presents the new B-2, the ultimate pilot's friend.

TAG Heuer is another watch brand which is adept at gaining exposure, through its Grand Prix racing spl second timing. TAG Heuer 6000 series chronograph favoured by the drivers. Hugo Boss has long been associated with Formula One; Jaguar-driving Wayne Baldessari, chief executive officer, adores the sport, and Boss chronographs fit the designer menswear image. The Hugo Boss Range model has a tough nylon strap, and is not expensive. This week in Geneva Girard-Perregaux launch the S.F. Foudroyante in 75 pieces; S.F. stands for Scuderia Ferrari, to mark the 75 years since Enzo Ferrari started the great red company. Its new F1-048, limited to 1,000 pieces, will also be on show.

Corum's Admiral's Cup wristwatches have been aloft for some years. It is now joined among the yachting fraternity by the Yacht Timer, from the promising 11-year-old Geneva maker Frederique Constant. It is the only such wristwatch integrating the countdown system for regattas introduced at the 1996 Olympics.

Rolex has successfully used international sports stars and musical luminaries to promote its chronographs for longer than any other brand. Spanish-based Festina (it means "hurry up") devotes a large part of its annual marketing budget to cycling, and owner Miguel Rodriguez maintains a top-level cycling team to help along the 4m unit sales he achieved in 1998. Festina is the official timer of the Tour de France.

The cycling scene will be enlivened this year by the Linda McCartney Road Racing Team co-sponsored by Zenith. Some sports wristwatches have more discreet roles to play and Franck Muller's new Casino model is destined to be the object of hopeful glances beside green-base tables with numbers, chips and cards on them. Its accuracy just might ensure a cost-saving "time to go home" mood occasionally. Savings are worth a gamble.

Jewellery by Mark Cockle

In the hunt for millennium sparkle

The diamond trade will attempt to persuade more men to buy gifts which glitter

Over the past two decades jewellery retail sales worldwide have seen virtually uninterrupted growth and in the case of diamond jewellery, the major segment of this market, sales have more than doubled in that period to just over \$60bn last year.

Although diamond retail sales were down last year by around 3 per cent, the second annual decline in as many years, there is cautious optimism that retail sales are about to grow again.

After the economic turmoil in south east Asia, the near collapse of the Russian economy and the more recent financial crisis in Brazil, jewellery manufacturers and retailers had been expecting the worst this year.

But after a reasonably firm Christmas in the leading markets, the jewellery trade got off to a more positive start in 1998.

There are signs of diamond prices beginning to recover and even coloured gemstone dealers, who deal in a significantly smaller market, are seeing firmer trends as fashion this year dictates more colourful jewellery.

The millennium is also expected to provide a further fillip for the trade. Starting from this summer, and going well into the year 2000, jewellers worldwide will be doing their utmost to encourage people to buy that special gift for a loved one to mark the millennium.

Slack advertising campaigns are on their way, led by a \$60m push from De Beers, a well-seasoned master of marketing diamond jewellery. But we are not just talking about a gift for others; worldwide there will be more than 30 developed markets next year. In addition, there will be a further 15bn celebratory occasions in that year including 40m weddings, 75m births, 850m wedding anniversaries and 900m women's birthdays.

De Beers has conducted considerable research and is convinced that there is a true consumer need to be filled around the millennium.

Not surprisingly women think that buying diamond jewellery for the millennium is a great idea. "The challenge, of course, is not the

women. The challenge is getting the men to buy," says Stephen Lusster, head of De Beers consumer marketing division, whose job it is to put that idea in men's heads.

The campaigns are aimed at reminding loved ones that they enter the new millennium together. Not even grandparents will be spared as this high-income group will be targeted too by encouraging them to give gifts to their grandchildren.

However, if you are still sceptical about the millennium effect, consider this: De Beers' limited edition of 20,000 specially polished diamonds to mark the millennium has already been pre-sold to leading jewellers and at healthy premiums to comparable stones.

De Beers is hoping that the millennium could increase diamond jewellery sales, in terms of pieces sold, by around 25 per cent on a normal year.

Whether there will be a buying frenzy from consumers is anyone's guess. But retailers will certainly need to make up their minds and have merchandise in stock by the middle of this year if they are to prepare themselves for a year-end rush.

De Beers can take full credit for the resilience of the diamond jewellery market. Since 1988 when New York's N.W. Ayer handled De Beers' first advertising account, the US has been the test bed for marketing of diamond jewellery.

The agency which gave De Beers the immortal slogan, "a diamond is forever", helped develop the engagement ring tradition along with other rites of passage jewellery which provided a bedrock diamond jewellery market no matter what was happening in the economy.

By the mid-1980s De Beers began to internationalise the US campaign, repeating its success in Japan, where there was no diamond culture, and Europe.

For most of this century diamond jewellery sales have kept pace with world economic growth. At present the jewellery market seems to be polarised, "with the west in general performing well and the east remaining in great difficulty," says Mr Lusster.

Back in the early 1990s, there had been a significant shift in gravity in jewellery consumption towards the east. Countries such as Taiwan,

Korea and Thailand had become bigger markets than Germany, France and the UK in terms of diamond content.

The strong US economy over the past five years has created the world's biggest jewellery market with American consumers continuing to buy higher-priced jewellery.

The US market, in terms of retail diamond jewellery sales grew by 9 per cent in 1998 compared with the previous year. It now accounts for 46 per cent of the world market compared to 30 per cent.

This strong growth has led many jewellery manufacturers and stone dealers to focus their marketing efforts on the US following the downturn in Japan five years ago and the recent collapse of several south east Asian economies.

Diamond jewellery sales in Japan declined last year by 19 per cent and it now accounts for only 30 per cent of the world market compared to a third several years ago.

Retail sales in the Asia region suffered a dramatic 45 per cent fall in the first half of 1998, although there was some slowing in the rate of decline in the second half, according to De Beers.

South east Asia now represents only 4 per cent of the world's diamond jewellery market against 7 per cent in 1997.

There is anecdotal evidence that the Japanese jewellery market is beginning to reawaken and that Korea and Thailand could reach the bottom by the end of this year.

China, a jewellery market with enormous potential over the next decade, was the only country in south east Asia to register any increase in jewellery sales in 1998.

Europe is looking a brighter prospect this year after a 4 per cent growth in 1998 in diamond jewellery sales. Its share of the world market remained at 14 per cent.

Good economic growth in

the US and Europe last year helped to boost gold jewellery demand to an all-time record and augurs well for the rest of 1999, says George Milling-Stanley, the World Gold Council's manager of gold market analysis in New York.

Although gold jewellery demand fell by 22 per cent in several Asian countries in 1998, there were signs of some recovery taking place in the fourth quarter of last year, he says.

Demand for jewellery at the lower end continues to be bolstered by the growth of non-traditional distribution channels, including TV sales, electronic retailing, discount sales and more recently the internet.

In the US, this has led to such intense competition that the American consumer has no expectation of paying full retail prices for jewellery. The net effect of this is that it has eroded jewellers' margins and as a consequence this problem has been passed down the entire jewellery pipeline.

"The use of the internet by consumers to buy jewellery is relatively small and less than 1 per cent of all jewellery sold in the US is done through this medium," says John Kehr, marketing director of Polygon, a leading Colorado-based website provider for the jewellery trade.

Buying jewellery online is mainly reserved for cheaper items but he admits that it is a growing market in the US.

At the very pinnacle of the jewellery market, business remains buoyant. Companies such as Cartier, Tiffany's and Bulgari continue to show the strength of their brands, managing to buck the downward trends in the eastern Asian and Japan.

"Strong equity markets bode well for discretionary spending at the higher end of the jewellery spectrum," says Kimberly Walin, managing director of New York-based ING Earing Furman Selz LLC, which produces its own luxury goods stocks index.

"There is a trend for jewellery at the high-end to broaden out its appeal as people want to possess more accessories," says Ms Walin. "This end of the luxury market has been quite strong since 1995 and despite the economic problems in Japan and the south east Asia demand in these regions has held up there quite well, she claims.

"Over the last decade, sales in the luxury sector have grown steadily each year, even in the downturn

Mark Cockle is editor-in-chief of The Basel Magazine

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